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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on Reports to January 14, 1928)

In the past month there have been a few changes in estimates, indicating a slightly larger world's wheat crop than previously estimated, but the demand for wheat continued strong and prices cintinued on a level considerably above the low point reached at the beginning of November. Nearly all countries outside of Russia and China have now reported estimates of production. The estimates of 40 countries as reported and revised to date amount to 3,428,000,000 bushels as compared with 3,303,000,000 in the same countries last year, an increase of 125 million bushels. The accounted for stocks in exporting countries and afloat as of July 1 were about 58 million bushels greater than at the beginning of last season, making a total indicated increase in supplies of 183 million bushels outside of Russia and China. As indicated in last month's survey, however, this increase is largely offset by a reduction in supplies from Russia and poor quality of wheat in Canada and several North European countries. Russian shipments through the Bosphorus are now 10 million bushels behind last year, with poor prospects for more to come. Only 40.7 per cent of the Canadian crop inspected to January 1 graded No. 3 or better, as compared with 42.9 per cent last year when much of the crop was considered to be of poor quality. With the British crop estimated to be slightly larger than last year, farmers' deliveries to date are considerably behind, indicating the possibility of the feeding of larger quantities on account of poor quality. Although we have no definite measure of quality in France, Germany and surrounding countries, reports continue to indicate that owing in part to poor quality imports will be equal to or greater than last year, notwithstanding some increase in production. It now seems probable that, with an increase of more than 50 million bushels in production, Europe will import as much or more wheat this year than last and that the increase in the world's wheat supplies will be nearly all consumed, leaving stocks of old wheat to be carried over at the end of the year little if any larger than at the beginning of the year.

Changes in estimates

Revisions in the estimates of the United States and Germany and the first official estimate of Argentina have increased the margin over last year as estimated a month ago by about 17 million bushels. The December estimate of the United States crop added 5 million, the German crop 7 million, and the official estimate of Argentina was 5 million bushels greater than our indicated estimate for that country. Last month we indicated that the Argentine crop would be between 210 and 260 million bushels, the median of which is 235 million, and the first official estimate was 240 million bushels. The Australian crop is still somewhat uncertain. Reports now generally indicate that production is between 100 and 115 million bushels. Several estimates are still subject to revision but no great changes in estimates for this year's crop are to be expected for the remainder of the year. See table, page 13.

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The Canadian crop

High grade Canadian wheat continues relatively scarce. According to inspections as reported to January 1 by the Board of Grain Commissioners, only 1.6 per cent graded No. 1 Northern as compared with 12.2 per cent last year and 39 per cent in 1923-24. About 11 per cent graded No. 2 as compared with 22 per cent last year, and 28 per cent was grading No. 3 as compared with 9 percent last year. The highest three grades made up 40.7 per cent of the total as compared with 43 per cent last year which was a low grade crop, and 85.3 per cent of the 1923 crop, which was a high grade crop.

Receipts at country elevators and platform loadings from August to December 1 of this year amounted to 6 million bushels more than last year, whereas the production estimate is about 35 million bushels more than last year. However, this should not yet be taken as an indication that the Canadian crop has been overestimated as the harvest was several days later than last year. A careful study of the Canadian grain movements for the past two years in comparison with this year, however, suggests that Canada may not get out by July 1 as much wheat as she exported last year by that time. There appears to be a large amount of wheat in country elevators and in transit. With receipts at country elevators and platform loadings 6 million bushels in excess of last year, the receipts at Fort William-Port Arthur and Vancouver up to December 1 were 14 million behind last year. Shipments from December 1 to April 1 will be relatively light on account of the closing of the Lakes. Some increase in export through Vancouver is to be expected on account of the large crop in Alberta and the fact that this port will remain open. Exports from Atlantic seaboard points will continue largely out of grain that has already moved down the Lakes. But since the shipment from Fort William and Port Arthur from August 1 to December 1 was but little larger than last year, no great increase in exports as compared with last year can be expected until after the opening of navigation unless much more than usual moves by rail. For a study of Canadian grain movements, see tables in appendix.

WHEAT: Inspections in the western grain division of Canada
1923-24-1927-28

Year	Percentage of total cars inspected graded					
	August 1 - December 31			August 1 - July 31		
	No. 1 Northern	No. 2 Northern	No. 3 Northern	No. 1 Northern	No. 2 Northern	No. 3 Northern
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24 ..	39.0	24.7	21.6	37.3	25.7	22.7
1924-25 ..	21.5	19.5	19.2	19.5	18.3	18.6
1925-26 ..	25.7	29.2	13.6	22.4	27.0	13.8
1926-27 ..	12.2	21.7	9.0	9.2	17.7	8.0
1927-28 ..	1.6	10.9	28.2	--	--	--

Winter seedings

Production prospects for next year will soon begin to affect the market. Farmers of the United States have planted a larger acreage, - 47,897,000 as compared with 43,465,000 seeded last year, and the condition on December 1 was somewhat better than last year. Rumania also reports an increase in the area, 6,570,000 acres as compared with 6,371,000 last year and 7,072,000 the year before. Apparently the increase this year has been stimulated somewhat by a reduction in export duties and higher local prices. Bulgarian sowings have been increased by 395,000 acres or 16.4 per cent and Czechoslovakia by 27,000 acres or 1.9 per cent. Current trade reports indicate that seedings in Italy, Austria and Lithuania will be as large as last year or larger. In Germany and Great Britain there was some delay in seedings, which may result in some decrease in area. It is reported that the winter wheat area in the Ukraine has been reduced about 6 per cent from the large area seeded last year and that growing conditions in South Russia have been unfavorable.

Probable exports and imports

Exports of wheat, including flour, from the principal exporting countries as reported to date amount to nearly 40 million bushels in excess of last year. Undoubtedly easier freight rates have been a factor in the larger movement in the first half of the season. Since there does not appear to be, however, any burdensome accumulations of foreign wheat stocks in European countries and the demand for foreign wheat in many European countries continues strong, it seems probable that deficit countries may take at least as much wheat as last year when shipments from exporting countries amounted to 844 million bushels. Accordingly, we have raised our estimate of the minimum of probable exports from 750 million to 800 million bushels, and believe that shipments may equal last year's large volume.

The exportable surplus of wheat from Argentina appears to be about the same as at this time last season. While the official estimate of the crop, 240 million bushels, is nearly 20 million bushels greater than last year, the carryover of old wheat as of January 1 was about as much less than last year. The exportable surplus of wheat in Argentina as of December 1, according to an unofficial estimate cabled to this Department by Consul General Lay at Buenos Aires, was 23,500,000 bushels, December exports, according to unofficial reports, amounted to about 7,600,000, indicating an exportable carryover of 16 million bushels, compared with 35 million bushels last year. Allowing 77 million bushels for seed and other uses within the country, the Argentine exportable surplus of old and new wheat as of January 1 would be about 179 million bushels. Last year Argentine exports from January 1 to July 1 amounted to 124 million bushels. Should the same quantity be shipped this year in this period, Argentine exports in our marketing season, July 1, 1927 to June 30, 1928, would amount to 162 million bushels, compared with 137 million exported in the same period last year. This, however, would reduce the carryover of Argentine wheat at the end of our marketing season below what it was last year. See tables, pages 12 and 13.

Durum

There has been a considerable increase in the shipment of durum wheat from the United States. United States inspections for export through October amounted to 1,140,000 bushels compared with 410,000 last year and 1,286,000 the year before. Canadian inspections of durum wheat from the United States amounted to 16 million bushels as compared with 11 million last year and the year before, making a total of United States shipments accounted for of 17 million bushels as compared with 11.5 last year. Canada is also bringing out more durum this year. Inspections in the Western Division to December of all kinds of durum amounted to 12,300,000 bushels as compared with 10,700,000 last year, and 6 million in 1925. At the beginning of the season Italy appears to have been importing more and France less than last year. Shipments from Algeria through July and September were larger than the French imports for consumption.

Prices

Wheat prices continued through December on a level above the low point reached in November and conditions generally appear favorable to maintaining prices on this higher level through January. Beginning at $1.26 per bushel for the week ending December 2, or 3 cents above the low point early in November, the weighted average cash price of all classes and grades at the six principal markets of the United States, advanced to $1.29 during the week ending December 16, then declined 1 cent the next week and remained at $1.28 to the end of the month, as compared with $1.39 a year ago. Number 2 hard winter at Kansas City advanced to $1.34 during the week ending December 9, then declined to $1.29 by the last week of the month. Number 1 dark northern spring at Minneapolis moved more in line with all classes and grades as the price advanced from $1.34 the week ending December 2, to $1.38 at the end of the month. Number 2 amber durum made the largest advance for the month, beginning at $1.27 for the week ending December 2, and advancing 8 cents to $1.35. Number 2 winter at St. Louis was $1.40 the week ending December 2, then advanced 7 cents during the following week. At the end of the two weeks' period following this rise the price dropped to $1.42, but by the end of the month had recovered 1 cent. Comparing cash prices of the several grades at the end of the year with those of a year ago, the price of No. 2 hard winter, No. 1 dark northern spring and No. 2 amber durum was 8, 9 and 39 cents lower respectively, but on the other hand that of No. 2 soft red winter was 9 cents higher.

WHEAT: Weighted average cash prices at stated markets

Month and week	All classes and grades 6 markets		No. 2 hard winter Kansas City		No. 1 dk. n. spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	142	139	137	136	175	158	154	153	142	141
August	135	136	131	135	156	150	153	140	134	142
September	136	129	132	131	148	137	138	128	136	142
October	139	125	139	128	153	134	150	123	140	145
November	138	126	137	131	148	134	161	128	136	141
December	139	128	138	132	148	137	174	132	137	144
December 2	137	126	137	132	146	134	164	127	138	140
9	140	128	139	134	149	137	172	132	139	147
16	138	129	137	131	146	137	178	132	137	146
23	141	128	138	132	149	138	181	133	136	142
30	139	128	137	129	147	138	174	135	134	143
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
January 6	137	132	136	136	146	142	172	138	137	147

The closing prices of May futures declined somewhat during the month of December on the North American markets but at Liverpool they remained steady at around 149 cents. During the first week of January, May futures advanced slightly. More definite knowledge of crops in the Southern Hemisphere and stronger foreign prices have been steadying factors on the market. The closing price of May futures in Chicago, January 9, was 131 cents as compared with 135 cents December 1 and 139 cents a year ago. The Liverpool price of May futures January 9 was higher than a year ago and 18 cents higher than Chicago, being 149 cents as compared with 147 cents a year ago. Winnipeg May futures were also higher than a year ago, being 136 cents January 9 as compared with 138 cents December 1 and 134 cents a year ago.

WHEAT: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Dec. 1	140	135	135	129	143	130	135	138	151	149		
8	141	134	135	127	143	130	135	137	152	150	129	127
15	140	130	134	124	142	126	134	135	149	149	125	127
22	141	130	135	124	143	126	136	135	152	149	126	127
29	139	130	133	124	140	126	135	136	148	149	125	126
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
Jan. 5	137	131	132	125	139	128	135	137	146	152	122	129
9	139	131	133	125	141	128	134	136	147	149	124	126

a/ February futures, as of day previous to date of other market prices.

WHEAT: Visible supply and storage a/

Week ending	United States visible supply		Canadian, stored in bond in U.S.		U.S. wheat stored in Canadian markets	
	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
November 6 ...	79,855	93,343	11,352	12,636	2,045	6,333
13 ...	80,354	95,188	14,316	15,221	2,739	7,748
20 ...	78,820	94,888	15,879	17,233	2,748	6,508
27 ...	78,868	95,898	22,165	23,884	2,409	6,477
December 4 ...	75,188	95,017	26,541	31,375	2,045	5,187
11 ...	71,501	94,461	28,132	37,117	1,547	4,722
18 ...	71,234	94,793	31,338	37,565	1,688	4,221
25 ...	70,340	94,007	27,783	35,453	1,484	3,859
31 ...	69,630	91,962	23,394	35,764	994	3,933

a/ As reported by Bureau of Agricultural Economics.

WHEAT: United States market receipts, supply and millings and world visible

Month	Receipts at 11 primary markets a/		Bradstreet's United States visible supply b/		Wheat ground in United States mills c/		World visible supply a/ b/	
	1926	1927	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	65,503	50,997	16,486	25,516	48,187	42,090	142,820	183,092
Aug.	65,971	76,811	34,575	37,533	52,206	47,986	145,809	181,502
Sept.	45,295	78,687	72,884	71,908	53,975	52,373	182,870	205,049
Oct.	30,079	70,457	84,724	88,755	53,276	54,121	225,197	237,122
Nov.	27,377	41,526	81,175	98,675	47,981	48,665	264,243	299,735
Dec.	18,746	21,912	78,910	100,013	44,335		300,304	346,746

Division of Statistical and Historical Research. a/ Compiled from Chicago Daily Trade Bulletin. b/ On first of month. c/ Census estimate raised to 100 per cent.

The Continental Market Outlook for Bread Grain a/

Continental Europe's apparent import requirements for bread grain during the current season have been increased since the beginning of October for both wheat and rye through the definite decline of prospects for Russian wheat exports and the reduction in estimates of both wheat and rye crops in several Continental countries. As a result of these developments, it now seems probable that Continental imports of wheat this season will exceed last year's and that takings of overseas rye will also be considerably larger than last year in spite of the larger European crop.

Part of the increase in apparent wheat requirements is to be attributed to the less favorable outlook in Russia, which now promises to export not more than 20,000,000 bushels of wheat this season. At the end of September 30,000,000 bushels were still a possibility. The balance of the increased requirements is due to lower crop estimates in Italy, France and some other countries, these reductions more than off-setting an increased estimate for Germany.

The outlook that European takings of overseas rye will considerably exceed those of last year is based upon the recent substantial reductions in official estimates of the crop in both Germany and Poland, together with the fact that a large amount of the crop in these countries is unmillable, upon the heavy imports to date, and upon the sustained strength of the European rye market. German rye imports from August 1 to December 1 have been twice those in the same period last year, and if as much of the crop as the trade has estimated proves unmillable (27,000,000 to 30,000,000 bushels), the season's importations may be double last year's. The continued high rye prices, on the other hand, are encouraging to substitution of wheat for rye.

It is very important to note, however, that Continental import requirements during the last half of the current season now promise to be relatively lighter than in the corresponding half of last year, when European stocks dropped very low. The abnormally heavy shipments to Europe during the past few months, because of large overseas crops and the low stocks and delayed harvests in Europe, have resulted in the importation of a larger than usual share of the requirements of overseas grain during the early months of the season. Stocks of imported grain are fully equal to, and probably exceed, those of a year ago, while afloat shipments are also larger. European crops have been marketed slowly, moreover, and domestic grain stocks are considerably above those at this time last year, so there now appears no likelihood of a duplication of the heavy end-of-the-season buying which characterized last year's trade, although a continued large volume of importation is assured.

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a/ Report of Acting Agricultural Commissioner L. V. Steere, Berlin, dated December 30 and revised by cables up to January 12.

Continental bread grain markets throughout most of December have indicated a relatively strong situation in rye, but weakness in wheat. Rye prices have shown great resistance to a decline in spite of the exceptionally heavy arrivals in port markets. Wheat prices, on the other hand, have reflected pressure from the extraordinarily large oversea shipments in recent months, the accumulating tendency of port stocks, the filling of immediate milling requirements and the inclination of Continental buyers to wait for lower prices anticipated when the marketing of the large new Argentine crop gets under way. The weakness of wheat prices must also be attributed partially to much heavier marketing of domestic grain over most of the Continent, a factor which promises to be of considerable importance during the coming months, even though large quantities of grain in Northern Europe are of a quality unsatisfactory for milling purposes. Unless Continental buying assumes unexpected strength, the next few months seem likely to witness considerable resistance to price advances even though new shipments to Europe and amounts on passage are now showing a declining tendency. Continental port stocks and near afloat positions seem adequate to answer all requirements for some time to come.

Markets in Rumania and Yugoslavia continue very quiet, exports to date running only a little over one half of those of last year for the same period.

In Italy a reduction of 6,000,000 bushels in the estimated wheat crop makes an increased importation of 10,000,000 bushels seem probable. It does not appear likely that the decline in the crop will be entirely made up by additional imports, but there now seems little doubt that Italy will be the largest importer on the Continent this year and may take a larger quantity than ever before, even though imports to November 30 this season have been slightly smaller than last year.

French importations of wheat to December 1 this season are about three times as large as last year, but import requirements during the balance of the season will be much smaller than a year ago. Indications of quality damage to the domestic crop continue, and it has seemed advisable to increase the estimate of French imports. The increase in the wheat duty from 26.75 to 37.44 cents a bushel should affect demand but slightly, and the raising of the export prohibition on wheat may result in disposal of some poor wheat outside the country.

The German official estimate of the wheat crop, recently issued, confirms the earlier Agricultural Council estimate that the crop is about 7,000,000 bushels over September ideas. Wheat import requirements, however, do not appear to have changed materially, because of the large reduction in estimates of the rye crop. Wheat imports to date correspond closely with figures of a year ago, and for the season as a whole might be as large as last year, much depending upon rye imports. As rye importations now promise to be exceptionally large, wheat requirements may prove less than now anticipated. It should be remembered that unexpectedly large importations at the end of last season served to diminish requirements for

wheat. The minimum wheat estimate for Germany, therefore, has been lowered to 80,000,000 bushels. Relative prices of the two grains during the balance of the year will, however, have a bearing on developments. Wheat and rye prices in Germany for the past three months were as follows:

Wheat and rye prices per bushel in Germany, October 1927 to January 11, 1928

Date	Wheat	Rye
	Hamburg	Berlin
1927	Cents	Cents
October 14	158.2	145.2
21	157.9	150.1
28	157.5	148.8
November 4	154.3	141.0
11	154.3	145.2
18	155.3	146.4
25	155.6	145.2
December 2	154.3	145.8
7	152.4	144.0
14	146.5	138.0
21	147.2	142.8
28	147.2	142.8
1928		
January 4	151.1	145.2
11	144.6	142.2

Changes affecting probable imports for other countries are very minor in character. A reduction in Belgian imports is possible, mainly due to an increased estimate of the crop amounting to 2,000,000 bushels; Holland has decreased her production estimate, but Dutch imports are now running considerably above last year's. Poland now appears to have smaller import requirements than formerly anticipated, imports having been prohibited. Some wheat was imported this fall before the prohibition went into effect, however, and there is a possibility that more may be required in the latter part of the season.

Although exports from Rumania and Yugoslavia so far this season are only about half of last year's, it is entirely possible that the difference will be made up later. It is not yet possible to forecast with any definiteness whether Yugoslavia will or will not be on an import basis this year, but it should be noted that the Economic Council of Yugoslavia some time ago estimated the wheat surplus at 4,000,000 bushels and that there have been some exports of both wheat and flour during the fall months, although in reduced quantities.

The now definitely unfavorable outlook for Russian wheat exports is due to the continued small export shipments and the sharp decline in procurings during October and November, states Mr. Steere. Russian wheat export

shipments to the end of December are only about one third those of last year and wheat procurings to December 1 about 90,000,000 bushels as compared with 119,000,000 bushels to the same date last year. High Russian officials now freely admit that exports will be very small this year. The crop was virtually a failure in North Caucasia and in parts of Ukraine, which are the chief export regions, and the procuring of grain by Government organizations has been rendered more difficult by a serious shortage of industrial goods, an unfavorable outlook for fall sowings in Ukraine, transportation and financing difficulties, rumors of war danger and numerous other factors. It does not seem probable that more than 20,000,000 bushels of wheat can be expected from Russia this season even though shipments may improve later on.

Quality of European wheat, rye and potato crops

While there is little new information as to the quantitative damage to bread grain crops in Northern Europe, there are numerous indications that it is fully as extensive as all reports to date have indicated. There are even some reasons to believe that damage may be slightly larger than anticipated. The recent increase in domestic marketing in Germany, while bringing in much good quality grain, has also included a very large amount of poor quality, which has helped to depress the market. The sale of German wheat for feeding purposes on the English market continues to be reported from time to time. In France, the recent removal of the prohibition on wheat exports is interpreted to mean that France has considerable bad quality wheat which it is thought can be exported to advantage. The heavy imports into Northern Europe from overseas so far this season, especially into France, reflect in part this damage to the quality of the crop. It should be noted, however, that quality damage is confined almost entirely to Northern Europe.

It has also been known for some time that the quality of the potato crop was poorer than last year, but the German official estimate recently issued sheds the first real light upon the situation. This estimate places disease damage at 7.1 per cent of the crop as compared with 4.2 per cent last year, thus greatly reducing the size of this year's crop from the standpoint of the amount available for human consumption. The potato crops in Northern France, Belgium, Holland and Poland have also suffered, possibly as much as the German crop.

The quality damage to the grain and potato crops will, of course, increase supplies of feedstuffs and tend to relieve the shortage of corn, but the corn market continues strong with prices high.

Winter sowings and seed conditions

It is still too early to know whether the winter sown acreage in Europe has increased or decreased, but present indications are that there has been no material change. The sowing campaign began rather late but, once started, progressed rapidly under favorable conditions throughout the bulk of Europe. The effect of the drought in the Balkans and Italy is reported to have been largely offset by late rainfalls. Only from southern Russia are reports unfavorable. Here the drought, which reduced the 1927 crop, has continued throughout the fall, resulting in reduced acreage and an unsatisfactory condition of the area sown.

The reports on European sown acreage so far available indicate that the winter wheat area is about 3.1 per cent above last year in Rumania and that winter rye acreage has increased 13.2 per cent. An increase of 16.4 per cent in the sown area of wheat is reported from Bulgaria. Some increase in sowings is indicated in several districts of Austria. Italian sowings are reported about equal to those of last year. The area in Northern European countries may be somewhat reduced because of considerable moisture, and the delay of fall work, but seed conditions, on the whole, have been fairly satisfactory in this region up until recently.

Some fear has arisen in the past two or three days, however, that there has been frost damage as a result of the second cold wave now sweeping over all of Northern Europe. The cold weather experienced immediately before Christmas was accompanied by a snowfall giving ample protection to crops, but warm weather following removed practically all snow cover and has left seeds exposed. Temperatures considerably below freezing have been experienced in the recent cold wave.

Statistical Appendix

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1					Actual imports reported		
	1924-25	1925-26	1926-27	1927-28 estimate Minimum	1927-28 estimate Maximum	Month	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain	216	190	218	205	230	July-Nov	86	76
Italy	96	64	88	95	105	July-Oct	19	18
Germany	71	56	94	80	100	July-Oct	38	33
France	41	34	53	50	60	July-Oct	8	30
Belgium	39	39	42	40	42	July-Oct	13	15
Netherlands	26	27	28	27	29	July-Oct	10	10
Czechoslovakia	23	19	17	15	18	July-Oct	8	7
Greece	22	a/(22)	a/(22)	(20)	(20)	b/		
Irish F. State	19	18	c/ 20	18	21	July-Oct	6	d/ 6
Austria	16	15	a/(15)	15	16	July-Aug	f/	1
Switzerland	14	14	17	14	17	July-Nov	9	8
Sweden	11	6	6	6	7	July-Nov	3	4
Norway	5	6	6	5	6	July-Oct	2	2
Denmark	6	6	7	6	7	July-Oct	2	3
Finland	4	5	5	4	5	July-Oct	2	2
Poland	14	e/ (2)	7	0	7	July-Sep	g/	1
Total above countries	623	519	645	600	690		206	216

a/ Rough approximation. b/ Not available for 1927. c/ Includes 12 months exports and 6 months imports. d/ Exports, International Institute. e/ Net exports. f/ Not available for 1926. g/ Less than 500,000 bushels.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27 and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year beginning July 1					Actual exports reported		
				1927-28 estimate		Month	1926	1927
	1924-25	1925-26	1926-27					
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States ..	255	92	206	220	245	July-Dec	146	155
Canada	194	320	305	300	330	July-Nov	130	122
Russia	1	27	49	7	20	July-Nov	18	6
British India ..	45	7	9	8	10	July-Dec	4	8
Rumania	4	9	a/(20)	5	15	July-Oct	2	1
Bulgaria	b/	4	1	2	6	c/		
Hungary	15	19	20	15	20	July-Sep	7	8
Yugoslavia	10	12	d/ 7	e/	3	July-Aug	f/	f/
Algeria	b/	5	f/	5	6	July-Sep	1	1
Total above N. Hem.countries	524	495	617	560	655		306	301
Argentina	127	97	137	130	170	July-Dec	13	36
Australia	124	78	90	55	80	July-Nov	9	20
Chile	9	2	f/	0	10	July-Sep	f/	f/
Total above S. Hem.countries	260	177	227	185	260		22	58
Total above N. and S. Hem.	784	672	844	745	915		328	359
More probable estimates				800	850			

a/ Approximate estimates. b/ Net imports. c/ Not separately reported. d/ Gross exports. e/ Reported as possibly on an import basis. f/ Less than 500,000 bushels.

WHEAT: Production, average 1909-1913, annual 1924-1927

Country a/	Average 1909-1913	1924	1925	1926	1927
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	690,108	864,428	676,429	831,040	871,691
Canada	197,119	262,097	411,376	409,811	444,282
Mexico	11,481	10,357	9,440	10,244	11,519
EUROPE					
England and Wales	55,770	50,885	50,773	48,683	53,131
France	325,644	231,079	330,340	231,767	284,356
Spain	130,446	121,778	162,591	146,600	146,422
Italy	184,393	170,144	240,844	220,642	195,805
Germany	151,274	89,199	118,213	95,429	120,518
Czechoslovakia	37,879	32,238	39,309	34,130	37,870
Hungary	71,493	51,568	71,675	74,909	75,834
Yugoslavia	62,024	57,770	78,646	71,428	56,511
Bulgaria	37,823	24,698	41,359	41,064	47,399
Rumania	158,672	70,420	104,741	110,882	96,782
Poland	63,675	32,498	57,797	47,080	54,564
Other European countries b/	85,207	65,561	91,264	81,918	89,721
Total above European countries (26)	1,344,300	1,047,938	1,387,552	1,204,532	1,258,913
North Africa (4)	92,047	85,312	104,559	89,976	102,216
Asia (4)	384,150	399,372	374,761	367,236	376,837
Argentina	147,059	191,158	191,141	220,827	239,934
Australia	90,497	164,559	114,504	160,858	115,000
Union of South Africa	6,034	7,132	7,844	8,506	7,753
Total above 40 countries	2,962,775	3,032,533	3,277,606	3,303,115	3,428,145
Est. N. Hemis. excluding Russia and China	2,759,000	2,731,000	3,026,000	2,981,000	3,136,000
Est. world total, excluding Russia and China	3,041,000	3,141,000	3,388,000	3,421,000	3,549,000

a/ Figures in parenthesis indicate number of countries included.
b/ Includes Norway, Sweden, Netherlands, Belgium, Luxemburg, Portugal, Switzerland, Austria, Greece, Lithuania, Latvia, Estonia, Finland, Malta and Denmark.

WHEAT, INCLUDING FLOUR: Exports from the United States, by countries, July-November, 1926 and 1927

Country to which exported	Wheat, incl. flour: July-November		Wheat: November		Wheat flour: November	
	1926	1927	1926	1927	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 barrels	1,000 barrels
United Kingdom	30,643	33,470	3,480	5,229	154	121
Irish Free State	2,782	1,759	269	795	4	11
Netherlands	16,190	13,656	1,102	619	118	144
Germany	8,624	5,679	596	522	74	66
France	7,747	4,314	2,259	379	5	a/
Italy	5,244	6,827	840	1,651	a/	3
Belgium	5,203	7,668	607	664	7	3
Greece	2,824	1,867	0	32	38	8
Finland	1,451	1,508	37	0	57	73
Denmark and Faroe Is.	1,296	1,766	93	111	44	65
Norway	1,190	1,148	0	0	41	30
Sweden	794	601	91	0	7	14
Malta, Gozo and Cyprus	252	477	0	0	2	2
Poland and Danzig	7	51	0	0	a/	7
Other Europe	230	3,156	1	291	6	10
Total Europe	84,477	83,742	9,375	10,295	557	557
Canada	16,623	38,572	2,595	3,113	10	5
Cuba	2,249	2,463	5	3	99	124
Mexico	1,325	526	145	79	19	6
Panama	1,569	2,129	486	1,108	6	8
Haitian Republic	668	527	0	a/	28	33
Brazil	4,851	1,770	402	0	85	91
Japan, incl. Chosen	5,992	2,623	650	955	3	5
China	1,633	1,795	233	a/	44	97
Hongkong	1,190	1,914	0	0	121	89
Kwantung	740	439	0	0	30	32
Philippine Islands	1,575	1,479	0	0	80	69
Egypt	1,168	348	276	0	35	24
Other countries	7,022	5,193	173	180	227	186
Total exports	131,082	143,520	14,340	20,731	1,344	1,326
Total imports	7,268	5,816	2,443	2,131	a/	1
Total reexports	74	4	0	0	1	0
Net exports	123,888	137,708	11,897	18,600	1,345	1,325

Compiled from official records of the Bureau of Foreign and Domestic Commerce.
a/ Less than 500.

DURUM WHEAT: Inspections and trade in specified countries, years beginning July 1, 1925-26, 1926-27; months reported 1927-28 and earlier years

Country and movement	Year beginning July 1		Month	Amounts reported for		
	1925-26	1926-27		1925-26	1926-27	1927-28
EXPORTING COUNTRIES	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels	1,000 bushels
United States -						
Inspections in U.S. a/	4,170	611	July-Oct	1,886	410	1,142
Inspections in Canada, Eastern Division	22,899	19,385	July-Nov	11,104	11,109	16,191
Total U.S. wheat	27,069	19,996		[illegible]	11,519	17,333
Canada -						
Inspections in Western Division b/	7,512	13,047	July	6,236	10,730	12,362
Russia, imports into Italy	1,656	2,554	July-Sep	0	303	166
France c/	d/ (81)	481	July-Sep	e/	38	24
Algeria	f/(5,655)	1,770	July-Sep	e/	1,042	1,310
IMPORTING COUNTRIES						
Italy, total imports	16,049	20,419	July-Sep	2,805	3,679	4,212
France -						
Total imports	g/(4,694)	9,804	July-Sep	e/	2,470	1,570
Imports for consumption	g/(3,257)	3,954	July-Sep	e/	1,678	1,117

Taken from official sources of the reporting countries and the International Institute of Agriculture. a/ Does not include durum in wheat classified as mixed. b/ Includes a small amount of mixed wheat. c/ Total imports of durum into France from Russia, rather than imports for consumption. d/ Half-year January-June. Comparable figure for 1926-27 is 344,000 bushels. e/ Not separately classified. f/ Total exports of durum and other wheat. In 1926-27 durum exports were 88 per cent of the total wheat exports. g/ Half year January-June. Comparable figures for 1926-27 for total imports were 2,687,000 bushels and imports for consumption 449,000 bushels.

DURUM WHEAT: Inspections in the western grain division of Canada, 1925-26 - 1927-28

Year	Percentage of total cars inspected graded					
	August 1 to December 31			August 1 to July 31		
	No. 1	No. 2	No. 3	No. 1	No. 2	No. 3
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1925-26	3.6	29.1	18.8	3.4	27.3	18.6
1926-27	0.3	5.6	8.2	0.2	4.7	7.3
1927-28	0.1	8.0	35.4	---	---	---

Movement of Canadian Wheat, 1925-26 to 1927-28

Item	1925-27	1926-27	1927-28
Closing of the lakes	December 15,1925	December 12,1926	December 12,1927
Opening of the lakes	May 3, 1926	April 14, 1927	---
Receipts at Fort William-Port Arthur	1,000 bushels	1,000 bushels	1,000 bushels
Aug. 1 to Dec. 1	151,627	150,857	133,361
Dec. 1 to Apr. 1	71,168	55,193	---
Apr. 1 to Aug. 1	38,983	47,945	---
Shipments from Fort William-Port Arthur ...			
Aug. 1 to Dec. 1	147,017	136,198	142,410
Dec. 1 to Apr. 1	42,073	40,131	---
Apr. 1 to Aug. 1	69,451	67,473	---
Lake shipments from Fort William-Port Arthur:			
Aug. 1 to closing of Lakes	175,957	154,539	159,311
Opening of navigation to Aug. 1	73,367	74,838	---
Inspections in Western Grain Division:			
Aug. 1 to Dec. 1	198,193	195,358	180,545
Dec. 1 to Apr. 1	114,733	92,864	---
Apr. 1 to Aug. 1	39,604	49,198	---
Stocks in Western Grain Division: a/			
August 1	13,662	17,829	29,247
December 1	68,426	74,362	72,133
April 1	87,015	96,940	---
Stocks at Fort William-Port Arthur: a/			
August 1	9,151	13,156	22,497
December 1	12,464	24,596	13,735
April 1	48,042	49,952	---
Receipts at country elevators and platform loadings:			
Aug. 1 to Dec. 1	252,139	250,622	236,991
Dec. 1 to Apr. 1	107,179	90,265	---
Apr. 1 to Aug. 1	19,335	18,711	---
Receipts at Vancouver:			
Aug. 1 to Dec. 1	17,663	14,000	17,364
Dec. 1 to Apr. 1	30,893	23,668	---
Apr. 1 to Aug. 1	5,268	5,896	---
Shipments from Vancouver:			
Aug. 1 to Dec. 1	13,788	6,908	10,928
Dec. 1 to Apr. 1	30,867	23,399	---
Apr. 1 to Aug. 1	9,789	11,396	---

Continued -

Movement of Canadian wheat, 1925-26 - 1927-28, continued

Item	1925-26	1926-27	1927-28
Inspections in Eastern Grain Division:	1,000 bushels	1,000 bushels	1,000 bushels
Aug. 1 to Dec. 1	1,956	711	273
Dec. 1 to Apr. 1	737	80	--
Apr. 1 to Aug. 1	486	6,873	--
Exports of wheat and flour:			
Aug. 1 to Dec. 1	124,100	109,400	113,100
Dec. 1 to Apr. 1	116,500	100,800	---
Apr. 1 to Aug. 1	83,900	82,700	---
Exports of wheat (grain):			
Aug. 1 to Dec. 1	107,948	94,636	98,503
Dec. 1 to Apr. 1	98,918	85,267	---
Apr. 1 to Aug. 1	68,691	71,363	---
Exports of wheat via Atlantic Seaboard ports:			
Aug. 1 to Dec. 1	28,792	27,654	24,157
Dec. 1 to Apr. 1	13,486	18,289	---
Apr. 1 to Aug. 1	27,686	21,522	----
Exports of wheat via Pacific Seaboard ports:			
Aug. 1 to Dec. 1	10,592	5,440	8,865
Dec. 1 to Apr. 1	33,264	23,879	---
Apr. 1 to Aug. 1	9,099	10,615	---
Exports of wheat via Inland ports:			
Aug. 1 to Dec. 1	68,485	61,522	65,458
Dec. 1 to Apr. 1	52,048	43,046	---
Apr. 1 to Aug. 1	31,900	39,217	---
Exports via of rail:			
Aug. 1 to Dec. 1	79	20	23
Dec. 1 to Apr. 1	120	53	---
Apr. 1 to Aug. 1	6	9	---

Compiled from Canadian Grain Statistics, weekly report.
a/ On Friday nearest the first of the months.

Wheat inspection in Western Grain Division of Canada and total production

Year	Inspection August 1 to January 1	Inspection August 1 to July 31	Production	Exports of wheat, August 1,- July 31
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1920-21 a/	124,431	a/ 187,185	263,189	136,174
1921-22 a/	159,270	a/ 231,606	300,858	158,550
1922-23 a/	218,478	a/ 297,257	399,786	229,682
1923-24 a/	261,409	a/ 389,058	474,199	289,190
1924-25	147,307	214,390	262,097	146,958
1925-26	263,033	352,530	411,376	275,557
1926-27	232,469	336,232	409,811	251,266
1927-28	b/ 192,600		c/ 444,282	

Compiled from Dominion Bureau of Statistics and Canadian Grain Statistics.
a/ Year ending August 31.
b/ Assuming an average carload capacity of 1,300 bushels.
c/ November estimates.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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FOREIGN NEWS ON WHEAT

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FOREIGN WHEAT TRADE OF SHANGHAI

The importation of foreign wheat into Shanghai is affected by a number of factors, among which are the wheat crop in China, wheat prices in United States and Canada, flour prices in China, and exchange rates, according to a report from Agricultural Commissioner Paul O. Nyhus to the Bureau of Agricultural Economics. The Chinese wheat crop usually needs to be supplemented by foreign wheat and the chief center of imports is Shanghai, where a large milling industry is located. Shanghai can only draw upon a small area for domestic wheat because of transportation difficulties. American wheat is in demand when its price as compared with the price of flour at Shanghai is sufficiently low. The higher milling ratio of American and Canadian wheat is an added factor in its favor. Millers are willing to pay a premium for this wheat of about 30 Taels cents per picul (133-1/3 lbs.) equivalent to about 9 cents per bushel.

Arrivals of new crop domestic wheat begin in late June and are sufficient to keep the mills supplied for three to six months. After this period if the mills are to continue operating foreign supplies are needed. Chinese currency is on a silver basis and the exchange value in American money, which has fluctuated widely in recent years, is a considerable factor in determining the price Chinese millers can pay for foreign wheat. Conditions are not as a rule favorable to importing American wheat if the cost per half picul (66-2/3 lbs.) is more than the price of flour per sack of 49 pounds. The effect of these factors upon the Chinese wheat import trade is analyzed in detail by Mr. Nyhus in the following pages.

The milling industry of Shanghai

There are two main centers of wheat imports, Shanghai and Dairen. Shanghai is on the coast of a wheat surplus producing district with a large milling industry which imports foreign wheats to supplement the domestic supply for grinding to ship to Chinese deficit regions. Dairen is the port of the wheat producing regions of Manchuria which imports flour from Shanghai and foreign countries to supplement the domestic supply of the region and to reship to other nearby Chinese deficit regions. With a dearth of Chinese statistics generally, information which can be obtained as to the milling and flour industries of these two centers is the best indication available of the wheat situation in China and of the Chinese demand for foreign wheat and flour.

The information which is available on the Shanghai milling industry shows factors operating in the past few years which should be helpful in indicating the future demand for foreign wheat in general and American wheat in particular. It appears that difficulties of transportation prevent the mills on the coast from drawing on any of the wheat growing districts except those within a narrow radius of the mills, it being cheaper to import from foreign countries. The higher milling ratio of American and Canadian wheat as compared with native allows the millers profitably to pay a margin of about 9 cents a bushel for these wheats. On the other hand, the fluctuations of the exchange rate have made the import business more or less speculative and the low exchange of the past year has been unfavorable to the importation of wheat or flour. It appears also that substitution of other cereals is apt to take place when wheat prices go very high, so that the Shanghai and Dairen flour prices often are not in line with world wheat prices. In recent years this upper limit of flour prices has been about 2.50 Taels per sack of 49 pounds (equivalent to $1.55 to $1.82 a sack according to the rate of exchange prevailing at the time) for "straight" flour even when world wheat prices would have justified a higher flour price.

There are seventeen mills in Shanghai and nearby cities, with a total milling capacity of about 30,000 barrels per day. What the actual output of these mills is in different years seems to be an unknown quantity as Chinese traits of distrust and inaccuracy, as explained by a western educated Chinese mill owner, are too strong to make possible a pool of information of this sort. Estimates, however, of 25,000,000 bushels of domestic wheat that reach the mills in Shanghai in normal years are very probable in the light of other information. These supplies come largely from Kiangsu Province, a delta province at the mouth of the Yangtze and one of the most fertile in China. Junks on native canals that cover the province with a network, the Shanghai-Nanking Railway, and river boats, bring the wheat to the Shanghai mills. Suchow, located on the railroad about 400 miles northwest of Shanghai, seems to be the extreme point from which local mills usually draw supplies. Hankow, a river port 600 miles up the Yangtze, has made shipments to Shanghai, when the Honan crops were especially good.

Arrivals of new crop wheat at Shanghai begin in late June and are sufficient to keep the mills operating for a period of three to six months. There is little need for foreign supplies in this period but the United States and Canadian markets are carefully watched for favorable prices of winter supplies that will augment supplies of native wheat. In 1923 the domestic crop of wheat was both short and of poor quality and United States and Canadian prices of wheat were so low that Chinese millers became heavy buyers of American and Canadian wheat very early in the season. If prices do not warrant purchases of wheat from abroad, millers have no alternative but to cut down on their operations as native wheat receipts or reserves fall off. Mills running fifty per cent capacity and the smaller mills closed completely in the spring are common occurrences.

Wheat production in Shanghai region

In normal years China produces a large part of the supply of wheat consumed within the country but there is usually a deficit which must be supplied by foreign countries. In poor years this deficit is large. In good years the country produces the total supply of wheat consumed, and in abnormal times such as the war years with high wheat prices it has exported large quantities of wheat and flour to foreign countries. This surplus during the war period was probably brought about as much by substituting other grains for wheat in the Chinese diet as by increasing the wheat acreage. In 1920 some 29,000,000 bushels of wheat either as grain or flour were exported to foreign countries as far west as England. Not until 1922 did lower prices effect an adjustment and since that date the country has imported wheat and flour in varying annual amounts. Chinese annual imports and exports of wheat from 1917-1925 are given on page 7.

In the Yangtze River valley both rice and wheat are important crops but north of the valley wheat and other grains predominate while rice is most important south of the valley. In all of the provinces north of the Yangtze, including Kiangsu Province, winter wheat is a leading crop and is grown on a very large acreage. In the eastern provinces of Kiangsu, Anhwei, Shantung, Honan and Chihli probably twenty-five to thirty-five per cent of the cultivated area is sown to winter wheat in the fall, the wheat harvested in June and fields planted to various summer crops. More wheat, undoubtedly, is ground in small native stone mills - primitive equipment of farm huts and villages - than ever reaches the flour mills of the large cities. In sight even of the smoke stacks of Shanghai - the most industrialized city of China - one sees in the walled farm yards women turning the sweep of one of these native mills in grinding out family supplies of flour.

Few areas raise a surplus for milling and shipment to remote cities. Only the territory about Shanghai is definitely on an export basis and in this locality a milling industry has grown up that ships flour to North China and all other ports in competition with the United States, Canada and Japan. Harbin, in North Manchuria, is the center of a wheat area but it supplies only a part of the requirements of Manchuria, since Shanghai and foreign flours are shipped in large amounts to the port city of Dairen to be distributed throughout South Manchuria.

Quality of Chinese wheat

A wide range of prices for wheat cargo from different localities indicates the varying quality of native wheat. On the whole the quality is very inferior. Little if any attention has been given to seed selection and samples show no evidence of purity; kernels are small and poorly filled; native methods of threshing, - by flailing, by striking the heads of sheafs on a wooden rack, or by running stone rollers over the spreadout grain, - include dirt, chaff and other foreign matter in the product that goes to the mills.

The milling extraction of domestic wheat is about 77 per cent, eighty-eight per cent of which is Chinese "second grade" flour. No patent flour is milled, hence the "second grade" designation. No. 2 American or Canadian wheats have comparable percentages of about 82 per cent extraction - 90 per

cent of which is "second grade" flour. It can be readily understood why millers are prepared to pay a premium for foreign wheat of about 9 cents per bushel.

Contrary to the situation in many other manufacturing industries in China, milling in Shanghai is almost exclusively done by Chinese. Foreigners' contact with the industry as importers may decrease as the leading millers acquire more experience with buying and milling foreign wheat.

Importation of foreign wheat into Shanghai

Purchases of foreign wheat by Shanghai mills are reported to average 90 per cent of China's imports. The following statistics from the Chinese Maritime Customs show the amounts of wheat imported into Shanghai from various countries. They indicate that Canada is an important competitor of the United States.

Net imports of foreign wheat into Shanghai

Year and quarter	From United States	From Canada	From Australia	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1923-24				
July - September	a/	a/	a/	33
October - December	a/	a/	a/	3,688
January - March	3,099	1,535	738	5,172
April - June	745	2,654	1,850	5,249
Total	b/ (3,844)	b/ (3,989)	b/(2,588)	14,142
1924-25				
July - September	439	321	37	797
October - December	---	---	---	---
January - March	---	---	---	---
April - June	33	---	---	33
Total	472	321	37	830
1925-26				
July - September	---	---	---	---
October - December	197	1,248	247	1,692
January - March	283	4,249	741	5,273
April - June	---	1,904	---	1,904
Total	480	7,401	988	8,869
1926-27				
July - September	---	---	---	---
October - December	881	501	---	c/ 1,610
January - March	318	1,317	---	1,635
April - (1 month)	(446)	(400)	---	(846)
Total	d/ (1,645)	d/(2,218)	---	c/d/ (4,091)

a/ Data by separate countries not available. b/ Six months only. c/ Includes 228,000 bushels from other countries. d/ Ten months only.

Effect of Chinese flour prices on wheat imports

The demand for foreign wheat in China seems more elastic than in many countries and is governed partly by the domestic supply and relative price of other cereals and food crops and consequently the Shanghai flour prices are frequently not in line with world wheat prices.

A considerable part of the output of the Shanghai flour mills is absorbed in Shanghai and in the numerous cities within a distance of fifty miles. This area is one of the most densely populated in China, but noodles, pastry, and steamed flour cakes merely supplement the rice diet. It seems that high prices of rice are not important in strengthening flour prices. Shanghai millers contend that people accustomed to a rice diet can hardly substitute wheat for rice. In the Yangtze valley and south the population has largely been brought up on rice, and only to a limited extent among the most destitute and among natives of northern provinces accustomed to a grain diet does wheat take the place of rice. Local consumption is difficult to determine but shipments to out ports are shown by the Maritime Customs statistics to have a wide distribution in large amounts. The largest markets, moreover, are north China ports, chiefly Dairen and Tientsin, and it is the demand from these ports probably more than any other one factor that makes for strength on the Shanghai flour exchange. These northern ports are definitely on an import basis, taking flour from Shanghai, the United States, Canada or Japan as prices warrant. United States or world level prices are reflected in quotations at Dairen and Tientsin, and in turn affect the quotations on the Shanghai flour exchange. But with the poor classes in North China rarely eating wheat flour but living on kaoliang, millet, corn, sweet potatoes and vegetables, it is easy to understand that kaoliang, millet and grain in larger quantities will be substituted for wheat flour when prices are high.

As native supplies disappear, however, much as he may wish to supplement his supplies with foreign wheat, the Shanghai miller can pay for foreign wheat only what flour prices warrant. Much of the time during the past three years flour prices have been too low to buy United States wheat. Importing millers figure that the cost of foreign wheat per half picul (66-2/3 lbs.) can not be more than the price of flour per sack of 49 pounds. Although this statement seems to have held true for the most part, it was not borne out in 1926-27 when 645,000 bushels were imported from the United States while the United States wheat price plus ocean freight ranged from .18 to .43 Taels above the Shanghai flour price, equivalent to 11 to 26 cents above according to the exchange rate prevailing at those times. The reason for the imports in the face of high margins for wheat over flour is not clear. They may have been the result of early buying in expectation of a poor North China crop and in expectation of increasing flour prices. Another possible explanation might be the military operations around Shanghai and the consequent difficulty of getting domestic wheat.

During the past three years flour prices have reached a maximum of Taels 2.50 per sack of 49 pounds and have held at this figure for only a few weeks before going back to about Taels 2.40. Due to the varying rate of exchange during the period, 2.50 Taels would be equivalent to from $1.45 to $1.95 a sack and 2.40 Taels to $1.39 to $1.87. Prices for the most part swing between narrow limits of Taels 2.30 to 2.45 per sack. During these years there were times when foreign wheat prices justified considerably higher flour prices. This is an indication which is confirmed by the trade, of a limited purchasing power for wheat flour in China and an upper limit of prices at which flour in any considerable quantity can be absorbed. This upper limit of flour prices accordingly sets the maximum prices that Shanghai millers can pay for foreign wheat c.i.f. Shanghai at Taels 2.50 or about $1.60 United States currency per bushel at present exchange.

There has been a marked tendency for Shanghai flour prices to advance as the season progressed during the last few years which has led to speculative buying of foreign wheat early in the season in expectation of this advance. In 1924-25 flour prices per sack rose from 1.81 Taels in September to 2.49 in April; in 1925-26 they rose from 2.30 Taels in September to 2.49 in December and 2.41 in April, and in 1926-27 from 2.19 Taels in September to 2.44 in November and 2.50 in May of 1927. These increases would allow the millers a margin of profit on wheat bought early in the year at prices higher than would be justified by the flour prices at that time and would tend to encourage speculative buying.

In 1921-22 foreign demand for wheat kept Shanghai in the export market in spite of low prices of American wheat as compared to flour. In 1922-23 with favorable American prices, Shanghai began to come into the market for foreign wheat. In 1923-24 with a small Chinese crop and low priced foreign wheat, margins were favorable and Shanghai took a record quantity. In 1924-25 the Northern Hemisphere crop was short and prices were much higher than the year before, whereas apparently the Chinese crop was good. The margins of foreign wheat over flour at Shanghai ran up to .70 Taels (51.4 cents) and over, resulting in almost no imports. That year United States prices were lower than Canadian and the small amount which Shanghai did take was all bought in the United States. In 1925-26 both United States and Canadian prices remained fairly high the first half of the year, and Shanghai did not begin to import heavily until the last half of the year, and the purchases were made almost entirely from Canada where prices were again lower than in the United States. In 1926-27, as was mentioned above, some imports were taken in spite of a wide margin between wheat and flour prices at Shanghai which may have been partly speculative in character, or as a result of military operations and the resulting difficulty of obtaining domestic wheat.

Balance of movement of wheat and wheat flour for China, calendar years, 1917 to 1925
+ = Imports - = Exports

Calendar year	Wheat	Flour in terms of wheat	Total wheat and flour
	Bushels	Bushels	Bushels
1917	- 3,380,960	- 364,843	- 3,745,803
1918	- 4,034,322	- 6,144,943	- 10,179,265
1919	- 9,896,558	- 7,417,174	- 17,313,732
1920	- 18,724,655	-10,560,485	- 29,285,140
1921	- 11,361,502	- 3,962,239	- 15,323,741
1922	- 617,493	+ 9,207,283	+ 8,589,790
1923	+ 4,345,047	+17,148,829	+ 21,493,876
1924	+ 11,122,627	+19,653,385	+ 30,776,012
1925	+ 1,094,920	+ 7,724,817	+ 8,819,737

Effect of exchange rate on wheat imports

Fluctuations in the exchange rate the past few years have had an important bearing on imports of foreign wheat. Chinese currency is on a silver basis and the exchange value of silver in terms of gold has fluctuated so widely during the past years that the exchange rate is a considerable factor in bringing foreign wheat prices within reach, or putting them out of reach, of the Chinese market. The Shanghai Tael, a unit weight of silver for currency purposes, has varied in monthly value between the extremes of 78 cents and 58 cents United States currency during the past four years. High exchange rates favor the importation of wheat while low exchange rates have an unfavorable influence.

Prices of wheat and flour at Shanghai, China, and exchange rates, crop years 1921-22 to 1926-27

Year and Month	Price of native wheat per ½ picul a/ b/	Price of western red wheat at Portland and ocean freight to Shanghai per ½ picul a/ c/ d/	Price of flour per 49 pound sacks Shanghai e/	Margin of Portland price and freight over native wheat price f/	Margin of price Portland wheat per ½ picul over flour at Shanghai g/	Equivalent of 1 Shanghai Tael in cents United States currency
	Shanghai Taels	Shanghai Taels	Shanghai Taels	Shanghai Taels	Shanghai Taels	Cents
1921-22						
July	1.62	---	1.83	---	---	66
August	1.73	---	2.18	---	---	67
September	2.00	1.91	2.26	-.09	-.35	69
October	1.85	1.66	2.09	-.19	-.43	77
November	1.94	1.67	2.13	-.27	-.46	75
December	1.95	1.76	2.03	-.19	-.27	74
January	---	1.81	2.11	---	-.30	74
February	---	2.03	2.23	---	.20	72
March	----	2.20	2.25	---	-.05	69
April	---	2.11	2.22	---	-.11	73
May	---	1.96	1.92	---	.04	78
June	1.62	1.79	1.74	.17	.05	79
1922-23						
July	1.76	1.77	1.86	.01	-.09	77
August	1.82	1.73	1.92	-.09	-.19	76
September	1.77	1.72	1.85	-.05	-.13	77
October	1.91	1.84	1.90	-.07	-.06	75
November	2.04	1.87	2.03	-.17	-.16	72
December	2.01	2.08	2.05	.07	.03	71
January	---	2.02	2.17	---	-.15	71
February	---	2.14	2.20	---	-.06	71
March	---	1.99	2.13	---	-.14	73
April	1.62	2.03	2.12	.41	-.09	73
May	1.65	2.00	2.09	.35	-.09	74
June	1.79	1.97	1.98	.18	-.01	72
1923-24						
July	1.83	1.81	2.07	-.02	-.27	69
August	1.87	1.84	2.03	-.03	-.19	69
September	1.95	1.87	2.11	.08	-.24	70
October	1.87	1.89	2.04	.02	-.15	69
November	1.78	1.82	1.91	.04	-.09	70
December	1.72	1.74	1.83	.02	-.09	72
January	1.63	1.79	1.82	.16	-.03	70
February	1.54	1.77	1.80	.23	-.03	71
March	1.55	1.76	1.83	.21	-.07	70
April	1.41	1.75	1.76	.34	-.01	70
May	1.35	1.84	1.80	.51	-.04	70
June	1.57	1.96	1.73	.39	.23	71

Prices of wheat and flour at Shanghai, China, and exchange rates, crop years 1921-22 to 1926-27, cont'd

Year and Month	Price of native wheat per ½ picul a/ b/	Price of western red wheat at Portland and ocean freight to Shanghai per ½ picul a/ c/ d/	Price of flour per 49 pound sack at Shanghai e/	Margin of Portland price and freight over native wheat price f/	Margin of Portland wheat per ½ picul over flour at Shanghai g/	Equivalent of Shanghai Tael in cents United States currency
	Shanghai Taels	Shanghai Taels	Shanghai Taels	Shanghai Taels	Shanghai Taels	Cents
1924-25						
July	1.62	2.56	1.82	.94	.74	71
August	1.79	2.18	1.88	.39	.30	73
September	1.71	2.16	1.81	.45	.35	75
October	1.86	2.34	1.91	.48	.43	77
November	1.92	2.43	1.94	.51	.49	76
December	2.01	2.64	2.10	.63	.54	76
January	2.05	2.92	2.13	.67	.79	75
February	2.22	2.94	2.33	.72	.61	75
March	2.23	2.76	2.32	.53	.44	73
April	---	2.48	2.49	---	-.01	73
May	---	2.61	2.45	---	.16	74
June	2.05	2.50	2.30	.45	.20	75
1925-26						
July	2.00	2.25	2.30	.25	-.05	76
August	2.03	2.39	2.30	.36	.09	77
September	2.06	2.23	2.30	.17	-.07	78
October	2.10	2.11	2.09	.01	.02	78
November	2.25	2.41	2.12	.16	.29	75
December	2.28	2.50	2.34	.22	.16	75
January	2.44	2.57	2.49	.13	.08	74
February	2.40	2.50	2.44	.10	.06	73
March	2.39	2.45	2.41	.06	.04	73
April	2.07	2.48	2.41	.41	.07	71
May	1.99	2.34	2.31	.35	.03	71
June	1.97	2.30	2.13	.33	.17	71
1926-27						
July	2.10	2.37	2.18	.27	.19	71
August	2.11	2.38	2.16	.27	.22	68
September	2.20	2.40	2.19	.20	.21	66
October	2.41	2.80	2.57	.39	.43	60
November	2.48	2.79	2.44	.31	.35	58
December	2.43	2.79	2.38	.36	.41	58
January	2.48	2.63	2.38	.15	.25	61
February	2.42	2.55	2.37	.13	.18	62
March	2.53	2.68	2.43	.15	.25	60
April	2.27	2.64	2.45	.37	.19	61
May	2.38	2.88	2.50	.50	.38	60
June	---	2.71	2.40	--	.31	63

a/ ½ picul is equivalent to 66-2/3 pounds or about 1-1/10 bushels. b/ Midmonth quotations of Shanghai cereal and oil exchange for delivery current month. c/ Ocean freight equivalent to about $5.50 gold per ton or 17 cents United States per bushel. d/ Monthly average of daily bid price as quoted by Northwest Daily Produce News. e/ Midmonth quotations of Shanghai flour exchange for delivery current month. f/ (-) - Margin of native wheat over Portland. g/ (-) - Margin under flour.

Prices of wheat and flour at Shanghai, China, crop years 1921-22 to 1926-27

Year and Month	Price of native wheat per bushel	Price of western red wheat at Portland and ocean freight rate to Shanghai per bushel	Price of flour per 49 pound sack at Shanghai	Margin of Portland price and freight over native wheat	Margin of price of Portland wheat and ocean freight over price of a bag of flour at Shanghai
	Dollars	Dollars	Dollars	Dollars	Dollars
1921-22					
July	.96	---	1.21	---	---
August	1.04	---	1.46	----	---
September	1.24	1.25	1.56	.01	-.31
October	1.28	1.17	1.61	-.11	-.44
November	1.31	1.14	1.60	-.17	-.46
December	1.30	1.19	1.50	-.11	-.31
January	---	1.21	1.56	---	-.35
February	---	1.32	1.61	---	-.29
March	---	1.40	1.55	---	-.15
April	---	1.40	1.62	---	-.22
May	---	1.39	1.50	---	-.11
June	1.15	1.27	1.37	.12	-.10
1922-23					
July	1.22	1.24	1.43	.02	-.19
August	1.24	1.20	1.46	-.04	-.26
September	1.22	1.19	1.42	-.03	-.23
October	1.29	1.24	1.42	-.05	-.18
November	1.33	1.21	1.46	-.12	-.25
December	1.28	1.33	1.46	.05	-.13
January	---	1.37	1.54	--	-.17
February	---	1.38	1.56	--	-.18
March	---	1.35	1.55	--	-.20
April	1.06	1.36	1.55	.30	-.19
May	1.10	1.34	1.55	.24	-.21
June	1.16	1.21	1.43	.05	-.22
1923-24					
July	1.14	1.14	1.43	---	-.29
August	1.16	1.15	1.40	-.01	-.25
September	1.23	1.19	1.48	-.04	-.29
October	1.16	1.19	1.41	.03	-.22
November	1.12	1.16	1.34	.04	-.18
December	1.11	1.13	1.32	.02	-.19
January	1.03	1.13	1.27	.10	-.14
February	.98	1.13	1.28	.15	-.15
March	.97	1.11	1.28	.14	-.17
April	.89	1.10	1.23	.21	-.13
May	.85	1.17	1.26	.32	-.09
June	1.00	1.26	1.23	.26	+.03

Prices of wheat and flour at Shanghai, China, crop years 1921-22 to 1926-27, continued

Year and Month	Price of native wheat per bushel	Price of western red wheat at Portland and ocean freight rate to Shanghai per bushel	Price of flour per 49 pound sack at Shanghai	Margin of Portland price and freight over native wheat	Margin of price of Portland wheat and ocean freight over price of a bag of flour at Shanghai
	Dollars	Dollars	Dollars	Dollars	Dollars
1924-25					
July	1.04	1.42	1.29	.38	.13
August	1.18	1.44	1.37	.26	.07
September	1.15	1.46	1.36	.31	.10
October	1.29	1.62	1.47	.33	.15
November	1.31	1.67	1.47	.36	.20
December	1.37	1.79	1.60	.42	.19
January	1.38	1.98	1.60	.60	.38
February	1.50	1.99	1.75	.49	.24
March	1.46	1.82	1.69	.36	.13
April	---	1.63	1.82	---	-.19
May	---	1.74	1.81	---	-.07
June	1.38	1.71	1.72	.33	-.01
1925-26					
July	1.37	1.55	1.75	.18	-.20
August	1.40	1.66	1.77	.26	-.11
September	1.45	1.57	1.79	.12	-.22
October	1.47	1.48	1.63	.01	-.15
November	1.52	1.64	1.59	.12	+.05
December	1.54	1.70	1.76	.16	-.06
January	1.63	1.73	1.84	.10	-.11
February	1.57	1.66	1.78	.09	-.12
March	1.57	1.60	1.76	.03	-.16
April	1.32	1.58	1.71	.26	-.13
May	1.27	1.51	1.64	.24	-.13
June	1.26	1.49	1.51	.23	-.02
1926-27					
July	1.34	1.52	1.55	.18	-.03
August	1.29	1.47	1.47	.18	0
September	1.30	1.44	1.45	.14	-.01
October	1.30	1.51	1.42	.21	+.09
November	1.29	1.50	1.42	.21	+.08
December	1.27	1.48	1.38	.21	+.10
January	1.36	1.46	1.45	.10	+.01
February	1.35	1.46	1.47	.11	-.01
March	1.36	1.46	1.46	.10	0
April	1.24	1.47	1.49	.23	-.02
May	1.33	1.61	1.55	.28	+.06
June	---	1.53	1.51	---	+.02

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on Reports to February 21, 1928)

One of the most important factors in the present world wheat situation and immediate prospects is the supply and price of rye and feed grains. As has been pointed out in previous reviews, the effect of the increase, about 125 million bushels, in the world's wheat crop outside of Russia is largely offset by a reduction in the supplies from Russia, a moderate rye crop, and smaller corn and oats crops. The world's rye crop exclusive of Russia amounts to about 887 million bushels compared with 812 million bushels last year, and 1,012 million bushels in 1925. The world's production of barley, corn and oats reported to date amounts to about 180 million short tons compared with 182 in 1926 and 193 in 1925. A more significant fact is that the reductions in feed grain crops have been largely in Europe where this year's supply is about 6 million tons or 10 per cent less than last year, and there are more livestock to be fed.

The result of reductions in feed grain crops and an increase in the wheat crop has been to raise the prices of the one and reduce the prices of the other. In Berlin the price of rye is practically equal to the price of wheat. In Antwerp a hundred pounds of barley or oats may be selling for more than a hundred pounds of wheat. The result is to encourage wheat consumption as a substitute for rye for food consumption and for other grain crops for feed. Under these conditions the higher prices for rye and the feed grain crops tend to sustain wheat prices.

Estimates of the world's supplies of wheat outside of Russia have not materially changed in the past month. Reports of 44 countries total 3,452 million bushels, and 3,327 millions in the same countries last year. An estimate of the Russian crop recently received confirms reports indicating a reduction in supplies from that country. The Russian wheat crop is estimated to be 750 million bushels compared with 810 millions last year, and exports to date as reported have been about 7 million bushels compared with 26 millions in the same period last year.

The surplus of exporting countries remaining to be shipped this season is but very little if any larger than at the same time last season. The larger available supplies in Canada and the United States are offset by

smaller supplies available from Australia and Russia. It does not seem likely that Russian total exports will exceed 10 million bushels, compared with 49 million bushels last year. Russia will export very little if any wheat for the remainder of the season as compared with 13 millions last year. According to reports from our Berlin office, stocks at ports on the lower Danube are small, so that only slight shipments may be expected from this source after the opening of navigation. Somewhat larger reserves in Hungary are offset by scarcity in Yugoslavia.

Importing countries have taken to date more wheat and flour than in the same period last year. Smaller shipments to the Orient have been partly offset by larger shipments to Brazil, and European countries have imported more than last year. The requirements of these countries for the remainder of the season until June 30 can not be accurately estimated as they will depend to some extent upon prospects as to harvests and the earliness or lateness of the season, as well as upon the extent to which wheat may be used as a substitute for other grains. It seems probable, however, that the takings of importing countries for the remainder of this season will be not very different from their takings in the same period last year.

Canadian supplies

Canadian marketings to February 9th are in line with the estimated increase of 33 million bushels in the Canadian crop. Country marketings for the season to and including February 9 are reported to be 39 million bushels in excess of the marketings for the corresponding period last year. Most of this increase in supplies remains to be shipped out of the country. Canadian exports from July 1, 1926 to June 30, 1927 amounted to 305 million bushels, of which 184 millions were shipped in the first six months, leaving 121 millions to be exported in the period, January to June. At the end of this period the commercial visible supply was 9 million bushels greater than on July 1, 1926. Should this year's crop turn out to be 30 million bushels greater than last year, it would appear that Canada could export about 160 million bushels in the period January 1 to June 30 without reducing stocks. But considering the quality of the wheat, prices, and the general market situation, an export of from 130 to 155 million bushels seems more likely. Our estimate of probable exports from Canada for the year beginning July 1, 1927 is raised to 315 - 340 millions, which allows for some increase in stocks as of June 30.

The crop continues to grade low. According to the Canadian Board of Grain Commissioners, inspections from August 1 to January 31 graded 38 per cent No. 3 or better, compared with 40 per cent last year, and 66 per cent from the 1925 crop. No. 1 is very scarce, being only 1.4 per cent compared with 11 per cent last year and 24 per cent of the 1925 crop.

WHEAT: Inspections in the western grain division of Canada
1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 to January 31				August 1 to July 31			
	No. 1 Northern	No. 2 Northern	No. 3 Northern	Total first 3 grades	No. 1 Northern	No. 2 Northern	No. 3 Northern	Total first 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24..	38.7	24.9	21.8	85.4	37.3	25.7	22.7	85.7
1924-25..	20.9	19.2	19.1	59.2	19.5	18.3	18.6	56.4
1925-26..	24.3	28.1	13.7	66.1	22.4	27.0	13.8	63.2
1926-27..	11.2	20.1	8.6	39.9	9.2	17.7	8.0	34.9
1927-28..	1.4	10.0	26.6	38.0	---	---	---	---

Board of Grain Commissioners, Winnipeg.

United States

The domestic disappearance of wheat through milling for the season to January 1 in the United States appears to be slightly less than last year, and exports of wheat as reported to February 11 total only about 7 million bushels in excess of last year. The total amount of wheat ground in merchant mills in the six months, July - December, is estimated on the basis of reports of the Bureau of the Census, Department of Commerce, to be 291 million bushels, compared with 300 millions last year. The increase in the amount of seed required to make the 10 per cent increase in winter wheat acreage last fall would practically offset this estimated reduction in millings to January 1, making the domestic disappearance thus accounted for about the same as in the same period last year. Since the exports of wheat as grain were only slightly greater than last year, the major part of the increase in the crop, about 40 million bushels, indicated by the December estimate, remains to be accounted for. The commercial visible supply, according to returns to the Department of Agriculture on February 18, was 19 million bushels greater than on the corresponding date last year. It is possible, of course, that more wheat has been fed. Farm stock and country mill and elevator returns to the Department as of January 1 will show whether or not more grain than last year is being held in these positions.

Considering that exports of wheat and flour to February 1 amounted to only 5 million bushels in excess of the corresponding period last year, our estimate of probable exports for the season, July 1, 1927 to June 30, 1928, is reduced 10 million bushels, making the probable range from 210 to 230 millions, compared with a net export last year of 206 millions. This would indicate a probable export from February 1 to June 30 of 46 to 66 million bushels, compared with 47 million bushels last year, and allows for some increase in carryover or domestic disappearance.

Southern Hemisphere

The Argentine crop is moving at a rapid rate. Shipments in January averaged 4,700,000 bushels per week, compared with 2,600,000 bushels last year. The Argentine shipments in the six weeks since January 1st have been enough heavier than last year to make up for the smaller shipments from Australia. This increase in shipments early in the season will result either in a slowing up later in the spring or a reduction in stocks in Argentina at the end of our marketing season, June 30.

Australian shipments in January averaged 2,300,000 bushels weekly, compared with 3,700,000 in January, 1927. This is in line with the smaller crop. Last year Australia exported about 68 million bushels from February 1 to June 30. Exports for this season, however, are more likely to be between 40 and 50 million bushels.

Russia

Russia probably will export but little if any wheat during the remainder of this year and may possibly be in the market for small amounts of wheat or flour before the new crop becomes available. According to estimates received through the International Institute, wheat production was about 750 million bushels, nearly 60 million bushels less than last year. Wheat procurings by the government from July 1 to February 1 amounted to 126 million bushels, or 42 million bushels less than in the same period last year. Since 49 million bushels were exported out of last year's crop, it will be seen that the reduction in the crop this year was greater than the export and yet a small amount of wheat, about 7 million bushels, has been exported.

The estimated increase in rye production, on the other hand, is sufficient to offset the reduction in wheat. The crop is estimated at 968 million bushels, 70 million bushels greater than last year. Procurings of rye by the government have fallen behind last year, amounting to 53 million bushels, compared with 65 million in the same period a year ago. Rye exports have also been reduced from 10 million to 2 million bushels.

If rye is readily substituted for wheat in Russia, it would appear that there is no shortage in the bread grain supplies compared with last year. Reports, however, indicate that there has been a great deal of difficulty in collecting and distributing grain. The barley crop appears to have been 44 million bushels and the oats crop 8 million bushels short of last year, while the corn crop was 12 million bushels greater. This indicates but a slight shortage in feed grains and but a slight increase in demand for rye or wheat on this account. Procurings and exports of the feed grain crops have also been considerably below last year, which has reduced the supplies of these feed grains available to other European countries.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27 and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year beginning July 1					Total exports reported		
	1924-25	1925-26	1926-27	1927-28 estimate		Month	1926-27	1927-28
				Minimum	Maximum			
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States ..	255	92	206	210	230	July-Jan	159	164
Canada	194	320	305	310	340	July-Jan	184	186
Russia	1	27	49	7	15	July-Jan	26	7
British India ..	45	7	9	8	10	July-Dec	4	8
Rumania	4	9	a/(20)	5	15	July-Nov	9	6
Bulgaria	b/	4	1	2	6	c/	--	--
Hungary	15	19	20	15	20	July-Nov	13	12
Yugoslavia	10	12	d/ 7	e/	3	July-Aug	f/	f/
Algeria	b/	5	f/	3	6	July-Nov	2	2
Total above N. Hem. countries	524	495	617	560	645		397	385
Argentina	127	97	137	140	170	July-Jan	23	57
Australia	124	78	97	55	80	July-Jan	29	32
Chile	9	2	f/	0	10	July-Sep	f/	f/
Total above S. Hem. countries	260	177	234	195	260		52	89
Total above N. and S. Hem.	784	672	851	755	905		449	474
More probable estimates				810	860			

a/ Approximate estimates. b/ Net imports. c/ Not separately reported. d/ Gross exports. e/ Reported as possibly on an import basis. f/ Less than 500,000 bushels.

The Orient

Available official and unofficial statistics indicate that the Orient is taking less wheat this year than last. Exports of wheat and flour from the United States to the Orient in the first six months of the seasom amounted to 7,090,000 bushels, compared with 9,528,000 in the same period last year. The reduction in shipments from the United States has been made up in part by an increase in shipments from Canada. The most important factor, however, in reducing the takings of the Orient has been a large crop in Manchuria. The wheat crop of North Manchuria is estimated at 45,900,000 bushels compared with 25,700,000 bushels last year. Adding the Manchurian crop to those of Japan and Chosen, the total of the estimates amounts to 84,190,000 bushels, compared with 64,667,000 last year, and 61,718,000 in 1925. The North Manchurian crop appears to be large enough not only to supply the needs of that region but also of South Manchuria which has previously been supplied in part by imports from Shanghai and Japan.

The demand for wheat in China other than in Manchuria seems to be about as good as last year. That part of the North China crop grown in the region around the Shanghai milling district is the only part which comes in competitio with the foreign wheat to any extent, Last year meager information available pointed to a fair to good crop in the Shanghai region and the year before that to a good crop.

Incomplete reports available as to other crops which affect the demand for wheat in the Orient indicate that with the exception of rice they appear to be smaller than last year. In the regions where rice is the staple cereal, such as in South China and Japan, wheat is not used as a substitute for rice but merely to supplement it and consequently the size of the rice crop has little effect on the demand for wheat, according to reports of Paul Nyhus, Agricultural Commissioner in the Orient. In Japan and Chosen the production of barley which is reported by Mr. Nyhus as competing with wheat is about 20,000,000 bushels less than in 1926 and 19,000,000 less than in 1925. Kaoliang in North Manchuria is about 10 per cent below last year. No comparison of North Manchuria millet production is available but the area is slightly less than last year.

The price differential among the wheats of the three countries is an important factor in the shipments to both China and Japan. Japanese millers are especially interested in United States western No. 2, Manitoba northern No. 3 and lower qualities and Australian fair average quality, according to Mr. Nyhus. Prices of these grades reported by him for September and October showed the United States grain to have an advantage over the other imported wheats, especially the Australian. By the first of December prices had all come down from 13 to 22 cents and the margin of United States below other wheats had narrowed, especially with respect to Canadian, which was only 1 cent above ours. The following table shows the average price of imported wheats at Yokohama and the price of domestic wheat at mills during recent months.

JAPAN: Prices of imported wheat at Yokohama and domestic wheat at mills

Period	a/ U.S. Western White, No. 2		a/ Australian F.A.Q.		a/ Canada No. 3		Domestic at mills	
	1926	1927	1926	1927	1926	1927	1926	1927
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
July	1.96	1.89	2.08	1.97	1.98	1.97	1.83	1.58
August	1.92	1.87	2.01	1.99	1.95	1.98	1.80	1.53
September	1.89	1.83	2.00	2.02	1.90	1.91	1.71	1.57
October	1.94	1.82	2.07	2.02	1.94	1.85	1.78	1.63
December2		1.47		1.80		1.48		1.50

Source: Report of Agricultural Commissioner Paul O. Nyhus, quoting the Nisshin Flour Mills.

a/ These prices are c.i.f. Yokohama plus 5 cents per bushel handling charges and 37 cents per bushel duty.

WHEAT: Production as far as reported in the Orient

Country	1925	1926	1927
	1,000 bushels	1,000 bushels	1,000 bushels
Japan	29,541	28,430	29,248
Chosen	10,509	10,517	9,042
North Manchuria	21,668	25,720	45,900
Total above regions	61,718	64,667	84,190
China other than Manchuria	Good crop in Shanghai region	Crop indications fair to good. Transportation poor.	Early indications medium crop Shanghai region, but transportation probably poor.

GRAIN (OTHER THAN WHEAT): Production in the Orient

Crop and Country	1925	1926	1927
	Million pounds	Million pounds	Million pounds
Rice (cleaned) -			
Japan	18,756	17,462	19,104
Chosen	4,641	4,807	5,393
Total rice	23,397	22,269	24,497
	1,000 bushels	1,000 bushels	1,000 bushels
Barley -			
Japan	85,015	88,075	71,559
Chosen	40,363	38,307	35,314
Total barley	125,378	126,382	106,873
		Thousand Units a/	Thousand Units a/
Kaoliang -			
North Manchuria	---	74,600	66,800

a/ Sixty pound units.

WHEAT (INCLUDING FLOUR, IN TERMS OF GRAIN): Exports to the Orient from the United States, Canada and Australia, 1925-1927

Source and year	To Japan		To China		To Hongkong	Total wheat and wheat flour
	Wheat	Flour	Wheat	Flour	Flour	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
UNITED STATES						
Year ended June 30						
1925	4,100	253	374	608	2,114	7,449
1926	5,178	100	17	2,299	1,742	9,336
1927	7,336	133	1,098	1,965	2,906	13,438
July-December						
1926	6,235	77	795	1,028	1,393	9,528
1927	3,004	61	--	1,919	2,106	7,090
CANADA						
Year ended June 30						
1925	3,433	84	200	842	674	5,233
1926	13,026	448	7,690	5,255	771	27,190
1927	7,626	665	3,943	2,353	666	15,253
July-September						
1926	101	--	--	242	73	416
1927	357	164	--	134	169	824
AUSTRALIA						
Year ended June 30						
1925	7,019	7	--	10	608	7,644
1926	10,862	34	427	6	445	11,774
1927 a/	1,765	15	--	9	157	1,946
	Wheat, including flour					
TOTAL						
Year ended June 30						
1925	14,896		2,034		3,396	20,326
1926	29,648		15,694		2,958	48,300
1927 b/	17,540		9,369		3,728	30,637
Months reported c/						
1926	6,414		2,065		1,466	9,945
1927	3,585		2,053		2,276	7,914

Compiled from Monthly Summary of Foreign Commerce of the United States and official records of the Bureau of Foreign and Domestic Commerce; Monthly Trade of Canada, and Quarterly Summary of Australian Statistics. Wheat flour converted from barrels to bushels at 4.7 for the United States and 4.5 for Canada and Australia.

a/ Nine months only. b/ Includes only nine months for Australia. c/ Six months for United States; three months for Canada; no months reported for Australia.

The Continental European Wheat Situation a/

Although a fair volume of business continued in Continental grain markets during January, and Italy was even reported as buying freely, the month's trading was characterized by general quietness and a waiting attitude on the part of buyers. This situation continued into February according to a cable from Mr. Steere. Domestic offerings and imports continued to be relatively large in most countries. The continued dullness of the market is attributed to the slow movement of flour but mill stocks of flour are reported to be declining slightly and a considerable quantity of grain constantly moves to the mills.

Recent unfavorable reports on the condition of winter crops in the United States and Northern Europe, while indefinite at this time of the season, have had considerable influence in sustaining the market, at least temporarily, as have also the smaller overseas shipments and an apparent ability on the part of North American sellers to withhold grain from the market. Continental stocks of overseas wheat are thought to have declined during January as a result of smaller arrivals, but mills apparently have no immediate requirements for heavy buying although some are coming into the market from time to time to cover current needs.

Continental millers report continued slow business in flour but there seems little doubt that consumption is being well maintained. That these complaints are not a true reflection of the rate of consumption, is well indicated by the unusually heavy European importation of bread grains this season. Such complaints are understandable in the case of Hungary and Yugoslavia, which have excessive milling capacity, and in Germany and certain other countries, where they doubtless arise from competitive conditions which are tending to reduce profits. At the close of January reports from German mills indicate a small improvement in flour sales, chiefly rye flour. Some observers have been attributing the slowness in German demand for flour in recent months to the reduced prices prevailing for meats and fats, especially pork products. The Italian milling industry appears to be experiencing a generally good demand, while Dutch and Belgian mills are also encountering somewhat better buying than the German mills, considerable improvement in flour sales being reported at the end of the month.

The rye market has also been somewhat quieter during January, although prices have been maintained and business in rye flour is reported somewhat improved in the latter part of the month. Indications of increasing substitution of wheat flour for rye flour are seen by some observers as the cause of the recent quieter tendency in the rye market. Such a tendency will be influenced materially by wheat and rye price developments during the coming months. European imports of rye continue high, according to latest available figures, but are now smaller than in the fall months.

While wheat imports into practically all Continental deficit countries were on a high level in December, overseas arrivals in January, especially in Northern European ports, have been much smaller and the figures

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a/ By Acting Agricultural Commissioner, Loyd V. Steere, Berlin, Germany, January 31, 1928, supplemented by cable of February 15, 1928.

on imports are expected to fall considerably below those for December. The reduced volume of arrivals will continue into February as a result of the smaller shipments during the past several weeks, but with shipments from the Southern Hemisphere now definitely rising and with amount on passage also considerably higher, arrivals at Continental ports will again be on the upgrade before many weeks. Italy is practically the only country on the Continent which reports an active import business during January. There are some indications of rather large stocks at Italian ports, especially Naples, but sustained buying on the part of Italian mills is promised. French takings of foreign wheat during January are reported much reduced as compared with earlier months of the current season, a development which has seemed likely in view of the relatively large importations to date. German imports in January amounted to 8,341,000 bushels, slightly larger than in December. Rye imports amounted to 1,299,000 bushels to be compared with the imports of 2,283,000 bushels in December and 3,937,000 bushels in November.

No definite figures on Continental port stocks in January have yet become available, but in view of the reduced arrivals and the fairly steady movement into consumption, there is reason to believe that port stocks have declined somewhat. The Channel ports had relatively important stocks of wheat around the middle of January, but the tendency of supplies at these points is also thought to have been downward during the period under review. Italy appears to be the only important market in which stocks of overseas grain may have increased.

That stocks of domestic grain are relatively large in many European countries, is now definitely indicated. In Germany, an estimate of the Deutscher Landwirtschaftsrat places farm stocks on December 15 at levels far above those of last year, especially in the case of wheat. German farmers, as a result of the poor quality of the crop, apparently intend to use more grain on their farms for feeding purposes than was the case last year, but stocks available for sale, nevertheless, are relatively large.

STOCKS OF WHEAT AND RYE ON GERMAN FARMS

Item	Per cent of Total Crop		Quantity	
	Dec. 15,1926	Dec. 15,1927	Dec. 15,1926	Dec. 15,1927
	Per cent	Per cent	1,000 bus.	1,000 bus.
Total Stocks on Farms:				
Winter wheat	40.7	55.2	35,226	60,413
Spring wheat	62.3	79.4	5,531	8,796
Winter rye	45.9	49.0	114,212	130,370
Available for Sale:				
Winter wheat	31.3	45.6	27,091	49,906
Spring wheat	50.6	67.3	4,492	7,455
Winter rye	21.9	24.3	54,493	64,458

Farm stocks of wheat in Hungary are reported to be still fairly large. The exportable surplus of wheat in that country is estimated to be between 5,500,000 and 7,000,000 bushels as compared with 4,400,000 bushels a year ago. Farm stocks in Yugoslavia on the other hand are reported to be nearly exhausted. Yugoslavia may have to import wheat and the government is considering abolishing the import duty on wheat. Danube port stocks are reported to be small and exports are expected to be light after the opening of navigation.

The Prussian statistical office has recently issued statistics as to the quality of this year's crops in Prussia. In the case of winter wheat 29 per cent of the crop is estimated to be good or very good in quality; 39 per cent average; 32 per cent poor or very poor. The comparable figures for winter rye are 28 per cent, 40 per cent and 32 per cent; late potatoes, 36 per cent, 41 per cent and 23 per cent; barley, 30 per cent, 41 per cent and 29 per cent; oats 33 per cent, 40 per dent and 27 per cent. The wheat crop was of especially poor quality in the provinces of Brandenburg and Pomerania, 61 per cent in the former and 63 per cent in the latter being estimated as poor or very poor. Rye was also very poor in Pomerania, 56 per cent falling in this category. The farmers in Pomerania, as a result, are in financial straits.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1					Net imports reported		
	1924-25	1925-26	1926-27	1927-28 estimate		Month	1926-27	1927-28
				Minimum	Maximum			
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
						July to:		
Great Britain	216	190	218	205	230	Dec.	103	92
Italy	96	64	88	95	105	"	33	35
Germany	71	56	94	80	100	"	49	50
France	41	34	53	50	60	Nov.	10	35
Belgium	39	39	42	40	42	"	16	19
Netherlands	26	27	28	27	29	Dec.	14	17
Czechoslovakia	23	19	17	15	18	"	11	10
Greece	22	a/(22)	a/(22)	(20)	(20)	b/		b/
Irish F. State	19	18	c/ 20	18	21	Nov.	7	6
Austria	16	15	a/(15)	15	16	d/	4	3
Switzerland	14	14	17	14	17	Dec.	10	10
Sweden	11	6	6	6	7	"	3	5
Norway	5	6	6	5	6	Nov.	3	3
Denmark	6	6	7	6	7	"	3	3
Finland	4	5	5	4	5	"	2	2
Poland	14	e/ (2)	7	0	7	Dec.	f/	2
Total above countries	623	519	645	600	690		268	292

a/ Rough approximation. b/ Not available for 1927. c/ Includes 12 months exports and 6 months imports. d/ August and September imports only. e/ Net exports. f/ Less than 500,000 bushels.

Continental stocks of overseas wheat are thought to have declined during January as a result of smaller arrivals, but mills apparently have no immediate requirements for heavy buying although some are coming into the market from time to time to cover current needs.

Prices

All classes of wheat except durum advanced during January. The rise in price of winter and spring wheats, excepting durum apparently was due to increased mill demand and premiums paid for high protein wheat as future closing prices at Chicago were approximately the same at the close of the month as at the beginning and lower at Liverpool and Buenos Aires.

Wheat prices as measured by the weighted average cash price of all classes and grades at six principal markets in the United States during January were slightly above the high level reached in December. Beginning at $1.32 per bushel for the week ending January 6 or six cents above the low point early in December, the price of all classes and grades dropped to $1.30 the following week then rose one cent and continued at $1.31 for the remainder of the period ending February 3 as compared with $1.38 last year. No. 2 hard winter at Kansas City continued to fluctuate from week to week during January but declined from a high level of $1.36 the first week of the month to $1.31 for the week ending February 3 compared with $1.38 a year ago. No. 1 dark northern spring at Minneapolis advanced from $1.38 per bushel to $1.42 during the first week of January, dropped to $1.39 the week following then advanced steadily to $1.45 by the week ending January 28 but dropped to $1.43 the next week as compared with $1.46 last year. No. 2 amber durum at Minneapolis advanced to $1.38 per bushel for the week ending January 6 then declined to $1.27 for the week ending January 27 but advanced to $1.28 the following week, which was 37 cents lower than last year. The price of No. 2 soft red winter rose steadily during the first three weeks of the month from $1.43 at the end of December to $1.53 then dropped to $1.52 and remained so for the remainder of the period which was 14 cents above last year's price.

Closing prices of May futures declined from one to two cents during January at the North American markets and about five cents at Liverpool. During the period from February 3-15 May futures strengthened slightly then declined at Chicago, remained unchanged at the other North American markets but continued to decline at Liverpool the first week then recovered at the end of the period. The heavy seasonal movement of Argentine wheat was one of the main weakening factors in the situation while in the United States the domestic demand and the somewhat unfavorable weather conditions for wheat in parts of the winter wheat belt through January have been strengthening factors

The closing price of May futures in Chicago, February 15, was 130 cents per bushel as compared with 131 cents January 9 and 141 cents a year ago. Kansas City and Minneapolis May futures were one and two cents lower respectively on February 15 as compared with a month ago. The Liverpool

price of May futures, February 15, at 147 cents was five cents lower than a month ago and two cents lower than a year ago. A month ago the Liverpool price was 18 cents higher than Chicago as compared with 16 cents this month (February15). Winnipeg May futures also dropped during the month being 135 cents February 15 as compared with 137 cents January 9 and 139 a year ago.

Wheat: Weighted average cash prices at stated markets

Months and weeks	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.n.spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	142	139	137	136	175	158	154	153	142	141
Aug	135	136	131	135	156	150	153	140	134	142
Sept	136	129	132	131	148	137	138	128	136	142
Oct	139	125	139	128	153	134	150	123	140	145
Nov	138	126	137	131	148	134	161	128	136	141
Dec	139	128	138	132	148	137	174	132	137	144
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
Jan	147	131	137	133	138	143	168	130	138	151
Jan 6	137	132	136	136	146	142	172	138	137	147
13	139	130	138	132	147	139	166	132	138	148
20	138	131	138	134	147	142	163	129	137	153
27	140	131	138	132	147	145	171	127	137	152
Feb 3	138	131	137	131	146	143	165	128	138	152
10	137		136		146		157		137	

Wheat: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires 1/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan 5:	137	131	132	125	139	128	133	137	146	152	123	129
12:	140	130	134	124	140	127	135	136	147	150	123	127
19:	140	131	134	125	141	128	136	137	148	150	126	128
26:	142	130	135	125	142	127	139	135	150	149	127	126
Feb 2:	142	130	135	124	142	126	139	135	151	147	128	126
9:	141	131	134	124	141	126	138	135	148	145	128	124
15:	141	130	133	124	140	126	139	135	149	147	127	125

1/ February futures, as of day previous to date of other market prices. March futures beginning January 19.

WHEAT: United States production by classes, 1923-1927

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum a/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	931	121	229	360	48	73
1927	872	199	181	318	80	94

These production estimates are based upon percentages of area by classes in 1924, supplemented by percentages in 1923.

a/ Crop estimates of four states plus 1924 indications in other states.

WHEAT: Production by classes, Pacific Coast States and Idaho, 1924-1927

Year	Total	Hard red spring	Soft red winter	Hard red winter	White
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1924	62,787	4,463	6,114	14,852	37,358
1925	96,643	6,876	5,321	18,598	65,848
1926	96,255	5,462	9,465	22,601	58,727
1927	126,142	6,552	12,401	30,185	76,994

WHEAT: Inspections for export, by classes, United States, July-December, 1925-1927

Year	Hard red spring	Durum	Hard red winter	Soft red winter	White	Mixed	Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1925	2,761	1,977	6,364	1,283	7,624	3,231	23,240
1926	1,314	535	52,871	17,978	20,722	1,030	94,450
1927	4,218	1,879	36,272	9,671	21,660	1,650	75,350

WHEAT: Inspections for export, by classes, Pacific Coast Ports, July-December, 1926-1927 a/

Year	Hard red spring	Hard red winter	Soft red winter	White	Mixed	Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1926	515	3,448	2,072	20,569	792	27,432
1927	1,071	11,612	1,474	21,660	1,489	37,306

a/ Ports included are Portland, Oregon, Seattle and San Francisco.

DURUM WHEAT: Inspections in United States and Canada years beginning July 1, 1925-26 and 1926-27; months reported 1927-28 and earlier years

Country	Year beginning July 1		Months	Amounts reported for		
	1925-26	1926-27		1925-26	1926-27	1927-28
UNITED STATES:	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels	1,000 bushels
Inspections in United States a/	4,170	611	July-Dec.	1,977	535	1,879
Inspections in Canada, eastern Division	22,802	19,327	July-Dec.	12,254	13,607	12,462
Total U.S. ...	26,972	19,938	July-Dec.	14,231	14,142	14,341
CANADA:						
Inspections in Western Division b/	7,512	13,047	July-Jan.	6,419	11,274	12,899

Official sources. a/ Does not include durum in wheat classified as mixed.
b/ Includes a small amount of mixed wheat.

DURUM WHEAT: Inspection by grade in the Western Grain Division of Canada, 1925-26 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 to January 31				August 1 to July 31			
	No. 1	No. 2	No. 3	Tot.1st 3 grades	No. 1	No. 2	No. 3	Tot.1st 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1925-26:	3.6	28.7	18.7	51.0	3.4	27.3	18.6	49.3
1926-27:	0.3	5.4	8.0	13.7	0.2	4.7	7.3	12.2
1927-28:	0.1	7.9	35.0	43.0	--	--	--	--

Board of Grain Commissioners, Winnipeg.

Milling and Milling Stocks in the United States

During the first six months of the crop year, mills ground 3 per cent less wheat than during the corresponding period last year. Stocks of wheat held by mills at the end of the period were only slightly larger than last year. The total amount of wheat ground in merchant mills in the six months July-December is estimated on the basis of the report of the Bureau of the Census, Department of Commerce, at 291 million bushels as compared with 300 million last year.

Based on figures from the quarterly report of the Department of Commerce raised to 100 per cent, total wheat stocks held by mills on December 31 were slightly larger than last year and approximately the same as on September 30, 1927. Flour stocks were slightly larger than last year and somewhat larger than on September 30, 1927

The report of the Millers' National Federation issued January 31 indicates that unfilled flour orders were considerably lower than last year and the amount of flour sold was slightly less. The Millers' Federation report

uses, as a basis of an index of stocks and unfilled orders, a 24-hour day capacity of grindings or output. Using this basis the wheat stocks as of December 31, 1927 were sufficient for 47 days of the same as last year and unfilled orders for 47 days as compared with 55 days last year. Mills operated at 67 per cent capacity for the 3 months period ending December 31 as compared with 67 per cent last year and mills sold 55 per cent of their capacity for the period or the same as last year.

Stocks of wheat held by mills as reported by the Bureau of the Census have changed their relative positions somewhat since September 30. On that date 84.1 per cent of the mill stocks of wheat was in private terminal elevators not attached to mills, in transit, and in mills and elevators attached to mills; 10.5 per cent in public terminal elevators; and 5.4 per cent in country elevators. According to the December 31 report 80.1 per cent of wheat stocks was in private terminal elevators, in transit, and in mills and mill elevators attached to mills; 12.1 per cent in public terminal elevators; and 7.7 per cent in country elevators. This comparison may not be particularly significant but with increased stocks of flour at the end of the year it indicates that grindings have increased during the second quarter of the year as compared with the first quarter without a corresponding increase in the outlet of flour during the same period. The increase of stocks of wheat in public terminal elevators and country elevators as reported on December 31 as compared with stocks September 30 probably reflects recent increased buying of wheat by mills, especially of spring wheat and the better quality grades of all wheat.

CEREAL CROPS: Acreage, average 1909-1913, annual 1925-1928. (Harvest year)

Crop and country	Average 1909-1913	1925	1926	1927	1928	Per cent 1928 is of 1927
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
WINTER WHEAT						
United States	28,382	31,269	39,887	43,465	47,397	110.2
Canada	1,019	794	1,008	979	1,009	103.1
France	15,510	13,468	12,879	12,994	12,302	96.5
Spain	9,547	10,722	10,775	10,671	10,528	98.7
Rumania	6,183	7,236	7,606	6,371	6,983	109.6
Bulgaria	2,409	2,334	2,503	2,409	2,804	116.4
Czechoslovakia	1,546	1,371	1,369	1,437	1,464	101.9
Finland	8	23	23	22	22	100.0
Tunis	1,310	1,457	1,658	1,399	1,730	123.7
Algeria	3,521	3,608	3,741	3,387	3,311	97.8
Morocco	(1,700)	2,621	2,588	2,273	2,175	95.7
Greater Lebanon	130	136	129	136	124	91.2
India	29,224	31,774	30,471	31,244	30,632	98.0
Total 13 countries	102,469	106,863	114,607	116,737	121,481	104.0
WINTER RYE						
United States	2,236	3,974	3,578	3,670	3,302	103.6
Canada	117	832	737	586	542	92.5
France	3,095	2,147	1,958	1,970	1,982	100.6
Spain	1,928	1,846	1,866	1,860	2,083	112.0
Czechoslovakia	2,605	2,034	2,021	2,006	1,997	99.6
Bulgaria	542	384	392	400	452	113.0
Rumania	1,286	536	673	592	626	105.7
Finland	589	579	565	568	568	100.0
Total 8 countries	12,458	12,382	11,790	11,652	12,052	103.4

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F. S.
WH-11

March 16, 1928

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS BASED ON REPORTS TO MARCH 15, 1928

The wheat market situation has been strengthened recently by an improved demand and increasing prices in Continental Europe, together with decreased European domestic offerings, according to reports received by the Foreign Service of the Bureau of Agricultural Economics. Although European wheat stocks appear to be somewhat larger than at this time last year, they include a large proportion of low quality grain, and do not indicate any prospective reduction in takings of overseas wheat. Winter killing and other damage to the winter sown crop in Europe, unless offset by improved conditions in the spring, point to the possibility of a decreased winter wheat crop, which is another strengthening factor in the situation. The decrease in present wheat supplies in the Southern Hemisphere as compared with last year is also improving the situation. The strength caused by the shortage of feed grains is continuing.

The estimated world supply of wheat shows no change during the month. Reports of production for 44 countries total 3,451 million bushels as against 3,327 million last year.

The balance in non-European exporting countries remaining to be shipped appears to be no larger than at this time last year, the increase in the United States and Canada being offset by the prospect of decreased supplies for the balance of the season from Russia and the Southern Hemisphere. In Russia there appears to be a prospect of practically no exports during the balance of the season, while last year exports from March through June as officially reported amounted to 13 million bushels. Argentine exports have been heavy during January and February, and if early indications of decreased carryover were correct the supplies now remaining in the country are smaller than at this time last year. Exports from Australia have been smaller since January 1 than for this period last year, as was expected from the smaller crop. Supplies are still considerably below last year and exports are expected to be light.

European importing countries have taken about 23 million bushels more wheat according to latest reports than during the corresponding period last year. A strengthening of the Continental market the last of February and the first of March, with some indications of a tendency among farmers to hold their stocks, and continued reports of poor quality of the crop, point to a good demand for overseas wheat for the immediate future. Winter killing of the new fall sown crop in France, Germany and Poland may cause some holding of old grain.

Canadian Supplies

Platform loadings and receipts at country mills and elevators indicate that the balance of wheat on farms in Canada may be less than at this time last year. These receipts up to February 24 amounted to 350 million bushels, which is about 45 million greater than at that time last year. Much of the surplus is in the country at concentration points. The total receipts at Fort William-Port Arthur and Vancouver, including Prince Rupert, amount to 264 million bushels or 31 million above last year, and shipments from those markets are 233 million or 25 million above last year. Exports through January were only 189 million bushels, compared with 195 million last year. The estimate of a probable export for the year of 310 to 340 millions still appears reasonable in view of the amounts at concentration points.

Inspected wheat continues to grade low. For the season through February 29 inspections in the western division graded No. 3 or better for only 36 per cent of the crop, compared with 39 last year and 65 the year before. Furthermore only 1 per cent graded No. 1 this year and 10 per cent No. 2, while last year 11 per cent graded No. 1 and 19 per cent No. 2.

Inspections of Canadian durum continue a little in advance of last year, the total amount graded in the western division amounting to a little over 13 million through February, as compared with nearly 12 million last year. It has been grading higher, however, with 43 per cent of the total inspections included in the first three grades whereas last year through February only 13 per cent was included. Canadian durum inspections are shown on page 8.

Wheat: Inspections in the western grain division of Canada, 1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 to February 29				August 1 to July 31			
	No. 1 Northern	No. 2 Northern	No. 3 Northern	Total first 3 grades	No. 1 Northern	No. 2 Northern	No. 3 Northern	Total first 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24:	38.4	25.0	22.0	85.4	37.3	25.7	22.7	85.7
1924-25:	20.1	18.7	18.8	57.6	19.5	18.3	18.6	56.4
1925-26:	23.5	27.4	13.6	64.5	22.4	27.0	13.8	63.2
1926-27:	10.7	19.3	8.6	38.6	9.2	17.7	8.0	34.9
1927-28:	1.2	9.5	25.3	36.0	---	---	---	---

Board of Grain Commissioners, Winnipeg.

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WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27 and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year beginning July 1					Net exports reported		
				1927-28 estimate		July to & inclu-		
	1924-25	1925-26	1926-27	Minimum	Maximum	ding	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States	255	92	206	210	230	Mar.3	a/ 160	a/ 165
Canada	194	320	305	310	340	Jan.	195	b/ 189
Russia	1	27	49	7	15	Feb.	31	6
British India	45	7	9	8	10	Feb.	7	10
Rumania	4	9	9	5	15	Nov.	9	9
Bulgaria	c/	4	2	2	6	Sept.	1	1
Hungary	15	19	21	15	20	Nov.	13	12
Yugoslavia	10	12	10	d/	3	Nov.	e/	e/
Algeria	c/	5	e/	3	6	Dec.	2	1
Total above N. Hem. countries	524	495	611	560	645		418	393
Argentina	127	100	140	140	170	Mar.3	60	93
Australia	124	77	87	55	80	Mar.3	47	41
Chile	9	2	e/	0	10	Oct.	e/	e/
Total above S. Hem. countries	260	178	227	195	260		107	134
Grand total	784	673	838	755	905		525	527
More probable estimates				810	860			

a/ Exports through February less imports through January. b/ Exports through January less imports through September. c/ Net imports. d/ Reported as possibly on an import basis. e/ Less than 500,000 bushels.

Southern Hemisphere and Russia

The surplus of the Argentine crop is rapidly disappearing, and considering the indicated decrease in carryover, the total supply remaining in the country is now less than at this time last year. Exports from January 1 to March 3 were 53 million bushels which is 12 million greater than for that period last year. On the basis of a carryover of 16 million bushels, as compared with 35 million last year, and assuming a consumption of 77 million, the balance remaining for export during the remainder of the calendar year and for carryover would be only 125 million bushels, compared with 138 for this

period last year. Australian exports from January 1 to March 3 were 19 million bushels, 13 million above that period of last year. With a carryover of 4 million bushels and assuming a consumption of 38 million, the balance remaining for export and for carryover would be only 56 million bushels for the remainder of the calendar year, compared with 91 million last year.

Russian procurements have improved materially in February and expectations in that country are for a continued improvement in March. This should relieve the shortage in the urban and deficit producing areas, but there is no indication so far of any improvement in the export situation. Total procurings of all grain reached the record figure of 2,145,000 short tons in February making a total for the season of 9,893,000 short tons. This is not far below the 10,450,000 for the same period a year ago. It is considered possible that March procurings may be heavy enough to bring the total up to last year's level, but exports for the balance of the season are not expected to be of any consequence. Rumors of possible imports into Russia which were current a month ago have been officially denied.

United States Crop Distribution and Stocks on March 1

The total supply of wheat this season (including 10 million bushels of imports) amounted to 1,006 million bushels. Of this amount, 583 million bushels were disposed of by March 1 in the form of exports, mill grindings and winter seedings, compared with a similar disposal of 574 million bushels the preceding year out of a supply of 942 million bushels. During the period July 1 to March, slightly more wheat has been exported this season than last. Commercial mills have ground slightly less wheat than a year ago but a little more has been used for winter seeding; leaving a considerably larger amount for feed and loss. Domestic mills have ground somewhat more wheat during the past three months than for the same period a year ago.

Total stocks on March 1 at farms and the visible supply amounted to approximately 208 million bushels or 18 million bushels greater than last year and 60 million bushels greater than on March 1, 1926. Crediting mills with about the same stocks as a year ago, the increase in supplies on March 1, as compared with last year is largely in country mills and elevators and central markets with most of it in central markets. There has been considerable shifting about in the size of farm and country mill and elevator stocks held in different areas of the United States as compared with last year. Farm stocks are 20 million bushels greater in the main spring wheat area than last year and 4 million larger in the western slope area, while in the main winter wheat area they are 20 million bushels less. Stocks of soft red winter wheat are particularly low. Stocks are smaller at Atlantic and Gulf ports and interior points in the winter wheat belt but are larger at interior points in the spring wheat region, at Lake ports and at Pacific ports.

Wheat: Supply and distribution in the United States

Period and item		1925-26	1926-27	1927-28
July 1 - February 28	Million bushels	Million bushels	Million bushels	Million bushels
Supply:				
Stocks, July 1 -				
On farms		29	21	27
In country mills and elevators		25	29	22
Commercial visible (Bradstreet's)		29	16	26
In merchant mills and elevators 1/		22	25	37
In transit 1/		9	7	12
Imports (grain only)		16	13	10
Production		676	831	872
Total visible supply		806	942	1,006
Distribution:				
Exports (grain only)		39	123	130
Mill grindings (commercial mills) 2/		374	383	379
Mill grindings (custom and small mills) 3/		8	8	8
Winter seeding		55	60	66
Disappearance unaccounted for 4/		43	15	
Total disappearance		519	589	
Carryover:				
Stocks, March 1 as given below		287	357	
March 1 - June 30	1925	1926	1927	1928
Supply:				
Stocks, March 1 -				
On farms	112	100	130	130
In country mills and elevators	68	76	86	
Commercial visible (Bradstreet's)	76	48	61	78
In merchant mills and elevators 1/	--	57	70	
In transit 1/	--	6	10	
Imports (grain only)	1	3	3	--
Available supply accounted for	257	290	360	
Supply not accounted for 4/	69	21		
Probable total supply	326	311	360	
Distribution:				
Exports (grain only)	35	24	33	
Mill grindings (commercial mills) 2/	146	160	171	
Mill grindings (custom and small mills) 3/	2	2	2	
Spring seedings	29	27	29	
Feed and loss	--	--	1	
Total disappearance	212	213	236	
Carryover:				
Stocks as above -				
Total on hand July 1	114	98	124	

1/ Compiled from U. S. Census estimate. Estimated to represent all merchant mills. March 1 stocks are interpolated figures. 2/ Census monthly returns raised to 100 per cent of the Biennial censuses of 1923 and 1925. 3/ A minimum estimate of small commercial mills and custom mills. 4/ Used as a balancing factor only.

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Flour: Supply and distribution in terms of wheat

Item	July 1-February 28			March 1-June 30		
	1925-26	1926-27	1927-28	1925	1926	1927
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Supply:						
Stocks, March 1 1/				32	31	33
Stocks, July 1 1/	28	31	29			
Imports	-	-	-	-	-	-
Mill grindings (commercial mills) 2/	374	383	379	146	160	171
Mill grindings (custom and small mills) 3/	8	8	8	2	2	2
Total available supply	410	422	416	180	193	206
Accounted for:						
Exports	29	45	44	16	14	18
Stocks, end of period	31	33		28	31	29
Total accounted for	60	78		44	45	47
Available for consumption	350	344		136	148	159

Division of Statistical and Historical Research.

1/ Russell's Commercial News as published in Survey of Current Business.

2/ Census monthly returns raised to 100 per cent on the Biennial Censuses of 1923 and 1925.

3/ A minimum estimate of small commercial mills and custom mills.

Wheat: Market receipts in United States and supply, United States and world, by months, 1926-27 and 1927-28

Month	Receipts of inspected wheat at all inspection points 1/		Receipts at 11 primary markets 2/		Bradstreet's United States visible supply 3/		World visible supply 2/3/	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cars	Cars	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu
July	121,768	79,421	65,503	50,997	16,486	25,516	142,820	183,092
Aug.	103,502	91,406	65,971	76,811	34,575	37,533	145,809	181,502
Sept.	69,952	97,744	45,295	78,687	72,884	71,908	182,870	205,049
Oct.	52,306	80,279	30,079	70,457	84,724	88,755	225,197	237,122
Nov.	39,904	56,801	27,377	41,526	81,175	98,675	230,916	299,735
Dec.	32,433	38,087	18,746	21,912	78,910	100,013	300,304	346,746
Jan.	32,720		18,918	21,510	70,811	94,336	378,641	399,296
Feb.	34,101		18,834	20,878	62,317	83,720	381,025	422,671
Mar.	30,992		16,953		61,271		373,378	
Apr.	26,934		12,933		53,827		344,516	
May	31,215		16,997		42,402		283,741	
June	33,566		17,819		31,115		231,686	
Total	609,393		355,425					

Division of Statistical and Historical Research. 1/ Grain Division.
2/ Compiled from Chicago Daily Trade Bulletin. 3/ On 1st of month.

Wheat: United States milling and export trade, July-June, 1926-27 and 1927-28

Month	Wheat ground in United States mills 1/		Inspections of United States wheat for export 2/		Exports of wheat 3/	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu	1,000 bu
July	48,187	42,090	19,141	8,278	16,083	8,397
Aug.	52,206	47,986	23,926	14,580	28,995	23,402
Sept.	53,975	52,373	21,317	21,252	23,700	33,748
Oct.	53,276	54,121	10,934	15,058	17,589	29,236
Nov.	47,981	48,679	10,445	10,009	14,230	20,731
Dec.	44,335	46,209	8,687	6,173	9,662	6,917
Jan.	42,870	46,033	6,364	4,844	8,078	5,956
Feb.	39,792		3,711		4,869	
Mar.	44,514		5,810		5,084	
Apr.	41,505		8,157		11,263	
May	42,447		5,490		8,960	
June	42,623		3,325		7,459	
Total	553,711		127,307		156,250	

Division of Statistical and Historical Research. 1/Census raised to 100 per cent. 2/Grain Division. 3/Compiled from reports of Bureau of Foreign and Domestic Commerce.

DURUM WHEAT: Inspections in the United States and Canada, years beginning July 1, 1925-26 and 1926-27, months reported 1927-28 and earlier years

Country	Year beginning July 1		Months	Amounts reported for		
	1925-26	1926-27		1925-26	1926-27	1927-28
	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels	1,000 bushels
United States -						
Inspections in U. S. a/	4,170	611	from July 1 to Jan.	279	555	2,238
Inspections in Canada, eastern division	22,802	19,327	Jan.	12,848	16,420	13,783
Total U. S. wheat	26,972	19,938	Jan.	13,127	16,975	16,021
Canada -						
Inspections in western division b/	7,512	13,047	Feb.	6,406	11,705	13,185

Official sources.

a/ Does not include durum in wheat classified as mixed. b/ Includes a small amount of mixed wheat.

DURUM WHEAT: Inspection by grade in the western grain division of Canada, 1925-26 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 to February 29				August 1 to July 31			
	No. 1	No. 2	No. 3	Total 1st 3 grades	No. 1	No. 2	No. 3	Total 1st 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24	1.2	22.1	52.3	75.6	2.0	22.7	49.2	73.9
1924-25	0.7	14.8	46.6	62.1	0.6	13.7	43.3	57.6
1925-26	3.7	29.4	18.7	51.8	3.4	27.3	18.6	49.3
1926-27	0.2	5.3	7.8	13.3	0.2	4.7	7.3	12.2
1927-28	0.1	7.8	34.8	42.7	---	---	---	---

Board of Grain Commissioners, Winnipeg.

Wheat prices

The trend of wheat prices continued upward and as measured by the weighted average cash price of all classes and grades at six principal markets the trend has been upward since the last of October. Starting from the low point of $1.21 per bushel, reached the last of October, the average price advanced to $1.35 for the week ending March 2 which equaled the price of a year ago. This is the highest level reached since the last week in August.

During the first two months of the new year the weekly weighted average cash prices of the major classes of wheat generally have been somewhat more irregular than a year ago, with prices below those of last year excepting for No. 2 soft red winter which has ranged from 9 to 29 cents above last year. No. 2 red winter advanced from $1.47 the first week of January to $1.61 the week ending March 3. The higher prices of this grade of wheat compared with last year's prices reflect the short soft red winter wheat crop and present low supplies of this class of wheat. Prices of No. 2 amber durum have ranged from 39 to 21 cents below last year's prices which probably reflect the materially large crop of last year compared with a short crop the year before and to some extent increased competition of other countries since durum wheat is on an export basis. The price of No. 2 hard winter and No. 1 dark northern spring have been only slightly under last year's prices and during one week in February the price of No. 2 hard winter went two cents above and equaled last year's price at the beginning of the year. The production of hard winter last year was considerably less than the year before but considerably more hard red spring wheat was produced last year. However large premiums have been paid this year for high protein grades in both classes which may account for the average prices being nearly as high as last year during the same period.

In the past two years wheat prices have declined temporarily in the latter half of March again turning upward in April. These declines are largely due to the prospect for or the actual release of large Canadian supplies by the opening of the Lakes. Last year the temporary decline was followed by a marked rise culminating about the first of June. See charts at end of report.

Future closing prices, since the first of the year, have been quite steady except for a rather sharp advance during the last half of February compared with steady and slightly increasing prices during the same period a year ago. Chicago May futures fluctuated between $1.32 and $1.31 during January. The price then dropped to $1.30 by the end of the first week of February, remained the same a week later then advanced to $1.38 by the end of the second week in March, compared with $1.39 a year ago. Chicago May futures have ranged from 21 cents under Liverpool futures at the beginning of the year to 13 cents under on March 8. The spread between May futures at Minneapolis and Winnipeg has been running at about nine cents in favor of Winnipeg since the first of the year. During the most of January, May futures at Winnipeg and Liverpool were slightly above last year's prices, but since then have dropped to a level slightly below.

Wheat: Weighted average price per bushel of reported cash sales at stated markets, by weeks, July 1, 1926 - March 10, 1928

Week ending	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dark northern spring Minneapolis		No. 1 amber durum Minneapolis		No. 2 red winter St. Louis	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July 1:	139	144	132	140	162	153	146	151	137	147
8:	141	146	131	141	175	158	152	156	139	147
15:	143	143	139	139	182	160	155	156	144	143
22:	143	138	137	136	183	156	158	153	143	141
29:	140	136	136	134	167	161	159	149	141	139
Aug. 5:	137	134	133	133	167	155	163	152	135	137
12:	135	139	132	137	164	160	164	164	133	143
19:	133	138	130	138	157	154	156	161	133	144
26:	136	137	131	137	156	149	160	143	132	146
Sept.2:	134	134	131	132	148	144	139	134	133	143
9:	135	133	128	132	145	143	135	135	134	145
16:	139	128	132	129	150	136	142	126	136	148
23:	136	126	133	129	151	134	139	122	137	140
30:	135	127	137	131	152	136	143	123	140	143
Oct. 7:	137	126	137	132	153	133	142	122	139	149
14:	137	128	137	131	153	136	145	126	139	147
21:	141	126	140	128	153	137	153	124	141	142
28:	142	121	141	125	153	131	161	120	141	141
Nov. 4:	140	123	138	128	149	132	163	121	137	143
11:	141	126	139	130	150	135	166	130	139	142
18:	135	127	134	131	145	133	155	130	134	142
25:	135	127	136	134	144	134	160	128	134	142
Dec.2 :	137	126	137	132	146	134	164	127	138	140
9:	140	128	139	134	149	137	172	132	139	147
16:	138	129	137	131	146	137	178	132	137	146
23:	141	128	138	132	149	138	181	133	136	142
30:	139	128	137	129	147	138	174	135	134	143
Jan. 6:	137	132	136	136	146	142	172	138	137	147
13:	139	130	138	132	147	139	166	132	138	149
20:	138	131	138	134	147	142	163	129	137	153
27:	140	131	138	132	147	145	171	127	137	152
Feb. 3:	138	131	137	131	146	143	165	128	138	152
10:	137	130	136	129	146	140	157	126	137	152
17:	136	131	135	133	146	140	160	127	135	155
24:	134	134	134	136	146	145	158	129	132	158
Mar. 3:	135	135	135	135	146	145	154	133	132	161
10:	136		135		146		163		133	

Division of Statistical and Historical Research. Compiled from trade papers of markets specified.

WHEAT: Closing price per bushel of futures, by weeks, September 16-March 16, 1926-27 and 1927-28

	Chicago		Minneapolis		Winnipeg		Liverpool	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
					December			
September 16	137	131	142	129	132	130	157	151
23	138	130	142	128	134	130	158	152
30	141	131	145	128	138	130	159	152
October 7	137	131	142	129	134	131	160	153
14	140	132	143	129	135	132	166	153
21	146	123	148	121	145	125	176	150
28	143	124	145	122	141	125	173	149
November 4	141	124	144	123	139	126	170	148
11	138	126	141	123	137	127	172	148
18	133	127	136	124	134	132	165	151
25	137	128	137	124	132	132	167	152
					May			
December 2	140	135	144	130	135	138	152	150
9	139	134	141	130	134	137	151	150
16	139	130	141	126	133	135	150	148
23	141	129	142	125	136	135	151	148
30	138	130	140	127	134	136	149	149
January 6	139	132	140	128	134	137	148	150
13	139	131	140	128	134	136	147	150
20	140	132	141	129	135	137	148	150
27	142	131	142	127	139	136	150	149
February 3	142	130	142	126	139	135	150	147
10	141	130	141	125	138	134	148	146
17	141	132	140	127	139	136	149	148
24	140	135	139	130	139	139	149	148
March 2	142	135	141	130	144	139	152	150
9	139		138		142		150	
16	136		135		140		149	

Division of Statistical and Historical Research. Compiled from Chicago Daily Trade Bulletin.

Wheat: Cash closing price per bushel at Minneapolis and Winnipeg, by weeks, July 2, 1926 - March 11, 1928

Week ending	Minneapolis No. 1 dark northern		Winnipeg No. 1 northern	
	1926-27	1927-28	1926-27	1927-28
	Cents	Cents	Cents	Cents
July 2	159	150	152	159
9	172	153	156	163
16	180	152	162	163
23	178	149	161	162
30	167	148	160	162
Aug. 6	163	148	155	157
13	159	153	153	163
20	152	150	152	163
27	151	147	150	159
Sept.3	145	143	145	154
10	142	142	145	152
17	146	137	145	142
24	147	137	143	142
Oct. 1	147	143	142	142
8	148	142	140	142
15	147	142	139	147
22	149	139	147	147
29	148	135	147	141
Nov. 5	146	135	145	141
12	145	138	145	141
19	140	140	140	148
26	140	141	139	150
Dec. 3	143	142	135	144
10	145	144	134	143
17	143	143	131	139
24	145	144	135	138
31	144	144	134	138
Jan. 7	142	147	133	140
14	144	148	134	141
21	144	148	135	145
28	145	150	139	144
Feb. 4	144	149	140	141
11	144	146	139	140
18	143	148	139	141
25	143	151	140	144
Mar. 4	142	153	143	145
11	143		145	

Division of Statistical and Historical Research. Compiled from Minneapolis Daily Market Record.

The Continental European Wheat Situation a/

There has been a widespread renewal of buying activity on Continental European wheat markets following the general quietness of January which had extended up to the 10th or 12th of February, according to L. V. Steere at Berlin. This renewal has been important enough to bring about a rise in the world wheat prices. European millers have again been forced to come into the market, following the period of many weeks during which they held back because of dull flour business and the expectation of lower grain prices under the pressure of the new southern hemisphere crop. Flour sales are improved and there is a good demand for foreign wheat. It appears that bakers, wholesalers and millers have been able to reduce flour stocks considerably in recent weeks and that the revival of demand has been especially marked in the case of wheat flour, at least partially in reflection of the relatively high price of rye. Domestic offers have been declining especially in Germany and France, apparently as a result partly of spring work and partly from the expectation of better prices.

At the same time the market has gained some strength from unfavorable crop reports in Europe, particularly in France, where weather conditions have been bad, and also from Russia where there are rumors of a possibility of reduced acreage in southern Russia. The possibility of Russia's having to import wheat this spring has also had some influence, but can be disregarded as of only passing significance.

The situation with regard to stocks of grain and flour in Continental Europe has an unusual degree of uncertainty this season because of the lack of knowledge as to the amount of unmillable grain in farmers hands. Actual stocks of wheat are undoubtedly much larger than a year ago when they were probably below normal. Stocks of wheat in the hands of German farmers on January 15 were practically double those of last year, while reports from France and Italy, and other countries, also indicate larger supplies, although probably not as much increased as in the case of Germany. If allowance is made for unmillable grain, for reseeding requirements in some sections, and for the probability of a larger carryover than the small one of last year, it appears that grain stocks are not materially above normal. The low quality of much of the wheat in Northern Europe also detracts to some extent from the significance of stock figures because of the necessity for increased imports for mixing purposes.

While flour stocks are reported as considerably reduced in recent weeks because of lower milling activity and slow buying, it does not appear that they are actually low, at least in millers' hands. The weakness of the flour market, however, has doubtless resulted in the reduction of stocks in the hands of wholesalers and bakers. Trade reports now seem much more optimistic as to the outlook for flour consumption in the immediate future, the prospects for more stable business being materially improved by the renewed firmness and strength of the grain market.

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a/ By Acting Agricultural Commissioner, Loyd V. Steere, Berlin, Germany, February 27, 1928. Supplemented by cable of March 5.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1					Net imports reported		
				1927-28 estimate				
	1924-25	1925-26	1926-27	Minimum	Maximum	Month	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain	216	188	217	205	230	July to Jan.	120	103
Italy	96	64	88	95	105	Jan.	41	38
Germany	71	56	93	80	100	Jan.	54	58
France	41	34	53	50	60	Dec.	12	39
Belgium	39	39	42	40	42	Dec.	18	22
Netherlands	26	27	28	27	29	Jan.	17	19
Czechoslovakia	23	19	20	16	18	Jan.	11	10
Greece	22	a/(22)	a/(22)	(20)	(20)	b/		b/
Irish Free State	19	18	19	18	21	Dec.	9	8
Austria	16	15	17	15	16	c/	4	4
Switzerland	14	14	17	15	17	Jan.	11	12
Sweden	11	6	6	6	7	Jan.	3	5
Norway	5	6	6	5	6	Dec.	3	4
Denmark	6	6	7	7	8	Dec.	3	5
Finland	4	5	5	4	5	Nov.	2	2
Poland	14	d/ (2)	7	2	7	Jan.	d/e/	2
Total above countries	623	517	647	605	691		308	331

a/ Rough approximation. b/ Not available for 1927. c/ August and September imports only. d/ Net exports. e/ Less than 500,000 bushels.

Developments since the first of the new year indicate a good import business in some of the important deficit countries. In Germany, the continued heavy imports of wheat and the indications that rye imports from now on will be relatively smaller, point to the possibility that takings of foreign wheat between now and the end of June may equal last year's, even though this would mean a record disappearance. German wheat and rye prices have been rising since about the first of February.

Wheat and rye prices per bushel in Germany, December, 1927, to March 5, 1928

Date	Wheat: Hamburg domestic	Rye: Berlin domestic
	Cents	Cents
1927 -		
December 2	154.3	145.8
7	152.4	144.0
14	146.5	138.0
21	147.2	142.8
28	147.2	142.8
1928 -		
January 4	151.1	145.2
11	144.6	142.2
18	143.9	142.2
25	144.6	142.8
February 1	143.3	138.6
8	141.3	139.1
15	143.9	140.3
22	147.2	143.3
29	148.5	142.8
March 5	150 0	148.8

French imports promise to decline from now on, but takings for the season as a whole will not differ greatly from last season. There seems to be some possibility, even, that import requirements may prove larger than now expected, as reports indicate that considerable reseeding of winter damaged grain will be necessary.

Imports into Italy always increase heavily in the second half of the season, and this year should be no exception, although there is some reason to doubt that takings will reach the maximum figure given in the accompanying estimates. Buying is now active in that country.

The Netherlands and Belgium have been having relatively heavy takings to date and the indications are that requirements during the balance of the season will be nearly as important. Dutch and Belgian mill and port stocks are in no way excessive. There has been a large business in Belgium recently, with speculations chiefly in Manitoba red durum. Holland is also buying actively.

In Central Europe there are good flour sales with improved business in wheat. Rumania is exporting only limited quantities.

WHEAT BALANCES SEASON JULY 1 TO JUNE 30

	1926-27 1,000 bushels	1927-28 1,000 bushels
GERMANY		
Production	95,429	120,521
Net Imports		
July-January	53,884	57,823
February-June	39,532	23,000 - 42,000
"Apparent Utilization"	188,845	201,000 - 220,000
FRANCE		
Production	231,767	284,355
Net Imports		
July-December	12,981	39,113
January-June	43,934	11,000 - 21,000
"Apparent Utilization"	288,682	334,000 - 344,000
ITALY		
Production	221,243	195,808
Net Imports		
July-January	40,822	38,419
February-June	47,274	57,000 - 67,000
"Apparent Utilization"	309,339	291,000 - 301,000
CZECHOSLOVAKIA		
Production	34,130	37,870
Net Imports		
July-December	11,464	10,472
January-June	7,091	6,037 - 8,000
"Apparent Utilization"	52,685	54,000 - 55,000

WHEAT BALANCES SEASON JULY 1 TO JUNE 30, CONT'D

	1926-27 1,000 bushels	1927-28 1,000 bushels
BELGIUM		
Production	12,801	14,449
Net Imports		
July-December	18,241	22,355
January-June	23,857	18,000 - 20,000
"Apparent consumption"	42,098	54,000 - 56,000
POLAND		
Production	47,080	54,229
Net Imports		
July-January	(-16)	2,434
February-June	7,514	0 - 4,500
"Apparent consumption"	54,578	57,000 - 61,000
HOLLAND		
Production	5,487	5,096
Net Imports		
July-January	16,433	19,011
February-June	11,118	8,000 - 10,000
"Apparent consumption"	33,038	32,000 - 34,000

Winter wheat area and conditions

Total winter wheat acreage for 14 countries reported to date amounts to 124,174,000 acres, which is 4 per cent above the acreage in those countries last year when they included 51 per cent of the estimated total world winter and spring acreage exclusive of Russia and China. The increase is largely in the United States, which has increased the amount sown by 10 per cent over last year. The total acreage reported for foreign countries is 76,277,000 acres, which is only 348,000 acres of 0.5 per cent greater than that sown for the 1927 harvest.

It is too early as yet to form any accurate opinion on the size of the harvest of this winter crop, but early prospects point to no material change in production. In the United States abandonment would have to be heavy or spring growing conditions poor to offset the effect of the 10 per cent increase in winter acreage, especially since the abandonment of 12.9 per cent of the winter acreage last year was slightly above the 10 year average of 12.35 per cent of the fall seedings.. Growing conditions about equal to the average in the 13 foreign countries reporting acreage would produce a crop of about 1,034 million bushels, compared with about 1,055 million last year, when the world total winter and spring crop was 3,539 million bushels exclusive of Russia and China.

Conditions this winter appear to be somewhat less favorable than those of last year, especially in France, Germany and Poland, where frost has done some damage. In France the condition of the crop in January was equal to that of last year, about 1 per cent above the 10 year average. This would seem to indicate no extensive frost damage in December, but the frost damage will more probably show up in a later downward revision of area rather than in condition of the standing crop. Poland is reported as having lost some winter wheat area through winter killings, and frost is believed to have caused some damage in Germany also. The crop is generally satisfactory in the Danubian countries, except Austria and Czechoslovakia, which are not important wheat producers. Italy reports excellent conditions with the possible exception of slight frost damage in the north, whereas last year conditions were favorable except for drought in the south. No definite report of total wheat acreage is published as yet for Italy, but in 8 provinces which last year accounted for about three-fifths of the total Italian wheat area, an increase of 10 per cent is reported this year.

There has been some delay in preparation of the soil for spring sowing in some parts of Europe, but reports to date do not indicate that it has been greater than usual for Europe as a whole. In North Africa conditions appear to be satisfactory except for wet weather in parts of Algeria. Last year conditions had been unfavorable early in the season, but improved materially later, resulting in good yields.

Russian new crop prospects are in considerable doubt with reports conflicting. It seems probable that the winter wheat area will be little if any larger than last year, considering the abandonment of winter killed areas, and many reports point to a decrease in Ukraine, North Caucasus and the Volga regions, where wheat is an important winter cereal. The condition of winter crops when they went under snow cover was below last year in the country as a whole, and especially in the Ukraine and North Caucasus. Seed shortage may hamper the State Planning Board in its effort to increase the spring sowing.

CEREAL CROPS: Acreage and production, average 1909-1913, annual 1924-1928

Crop and countries reporting area in 1928 a/	Average 1909-1913	1925	1926	1927	1928	Percent 1928 is of 1927
AREA	1,000	1,000	1,000	1,000	1,000	Percent
WINTER WHEAT	acres	acres	acres	acres	acres	
United States	28,382	31,269	39,887	43,465	47,897	110.2
Canada	1,019	794	1,008	979	1,009	103.1
Europe (7)	40,553	37,694	37,660	36,511	37,296	102.2
North Africa (3)	6,531	7,686	7,957	7,059	7,216	102.2
Asia (2)	29,354	31,910	30,600	31,380	30,756	98.0
Total 14 countries	105,839	109,353	117,112	119,394	124,174	104.0
WINTER RYE						
United States	2,236	3,974	3,578	3,670	3,802	103.6
Canada	117	832	737	586	542	92.5
Europe (7)	22,232	19,620	19,339	19,460	20,254	104.1
Total 9 countries	24,585	24,426	23,654	23,716	24,598	103.7

Crop and countries reporting production in 1927 a/	Average 1909-1913	1924	1925	1926	1927	Percent 1927 is of 1926
PRODUCTION	1,000	1,000	1,000	1,000	1,000	Percent
WHEAT	bushels	bushels	bushels	bushels	bushels	
United States	690,108	864,428	676,429	831,040	871,691	104.9
Canada	197,119	262,097	395,475	407,136	440,025	108.1
North America (4)	898,908	1,137,110	1,081,494	1,248,709	1,323,455	106.0
Europe (27)	1,346,573	1,049,767	1,389,568	1,206,642	1,262,042	104.6
Africa (4)	92,047	85,312	104,559	89,976	105,340	117.1
Asia (5)	394,130	411,710	385,419	381,176	390,472	102.4
Southern Hemisphere, 3 countries prev. rept'd.	244,073	365,605	315,369	391,652	362,719	92.6
Union of South Africa	6,034	7,132	7,844	9,029	6,605	73.2
Southern Hemisphere(4)	250,107	372,737	323,513	400,681	369,324	92.2
Total above countries (44)	2,981,765	3,056,636	3,284,553	3,327,184	3,450,633	103.7
Est. world total excl. Russia and China	3,041,000	3,141,000	3,389,000	3,421,000	3,539,000	103.4
RYE						
United States	36,093	65,466	46,456	40,795	58,572	143.6
Canada	2,094	13,751	9,158	12,179	14,951	122.8
Europe (24)	976,496	651,091	938,135	745,817	796,615	106.8
Argentina	640	1,457	4,733	3,268	6,693	204.8
Total above countries (27)	1,015,323	731,765	998,482	802,059	876,831	109.3
Est. world total excl. Russia and China	1,025,000	742,000	1,012,000	812,000	887,000	109.2

a/ Figures in parenthesis indicate the number of countries included.

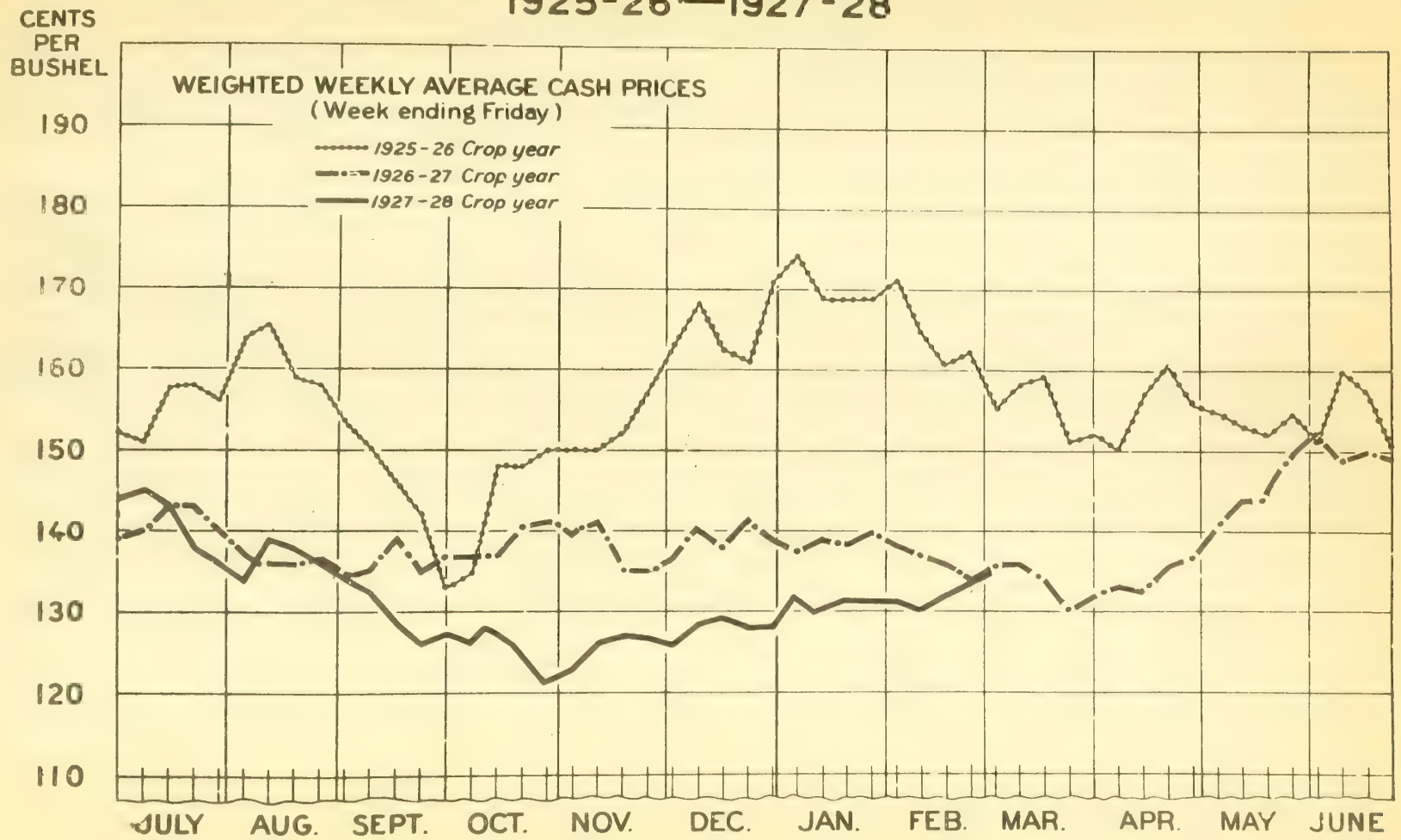
WHEAT: Summary of statistics, 1926 and 1927

Item	1926-27	1927-28
	1,000 bus.	1,000 bus.
Production:		
Est. world excl. Russia and China	3,421,000	3,539,000
44 countries reporting to date, excl. Russia	3,327,184	3,450,633
Europe, excluding Russia, 27 countries	1,206,642	1,262,042
Russia	809,650	749,560
United States	831,040	871,691
Canada	407,136	440,025
Argentina	220,827	238,832
Australia	160,587	109,000
Carryover at beginning of crop year:		
United States, July 1	98,000	124,000
Canada, July 31	35,600	a/ (30,000)
Argentina, January 1	35,339	a/ (16,000)
Australia, January 1	---	a/ (4,000)
Trade movement beginning July 1:		
United States exports to March 3 less imports through January	160,439	165,415
Canada, exports through February less imports through September	194,951	189,148
Argentina, exports to March 3	59,757	92,812
Australia, exports to March 3	47,320	41,891
Imports of importing countries reported to date	308,000	331,000
Supplies on hand and interior distribution -		
United States -		
Farm stocks, March 1 and visible supply March 3	190,355	207,956
Mill grindings, July 1 to February 29	391,000	387,000
Canada -		
Receipts at country elevators and platform loadings to February 29	305,422	349,962
Visible supply western Grain Division, March 2	97,268	120,938
Stocks at Ft. William-Pt. Arthur, Vancouver and Prince Rupert	53,491	70,518
Receipts, Ft. William-Pt. Arthur, Vancouver and Prince Rupert, August 1 to March 2	232,904	264,036
Shipments, Ft. William-Pt. Arthur, Vancouver and Prince Rupert, August 1 to March 2	197,682	223,071
Argentina -		
Exportable surplus March 3	138,000	124,000
Australia -		
Exportable surplus March 3	91,000	56,000
England and Wales -		
Stocks on farms, January 1	20,860	26,700
Port stocks and afloat for United Kingdom March 3	75,900	77,600
Germany -		
Total stocks on farms, January 15	29,127	51,439
Stocks available for sale January 15	27,696	41,589

a/ Preliminary estimate.

WH-11

WHEAT: PRICE OF ALL CLASSES AND GRADES AT SIX MARKETS
1925-26—1927-28

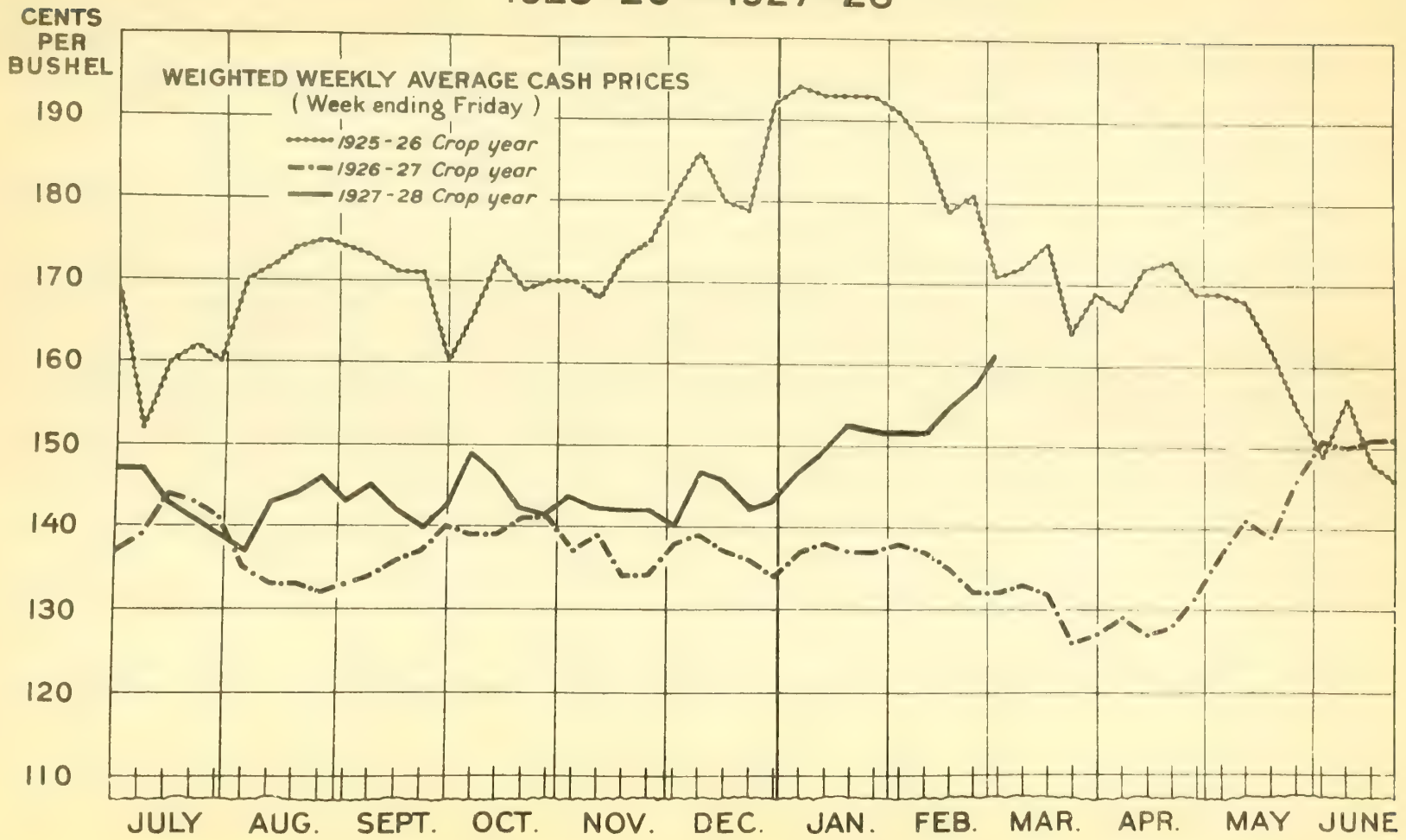


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WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS 1925-26—1927-28

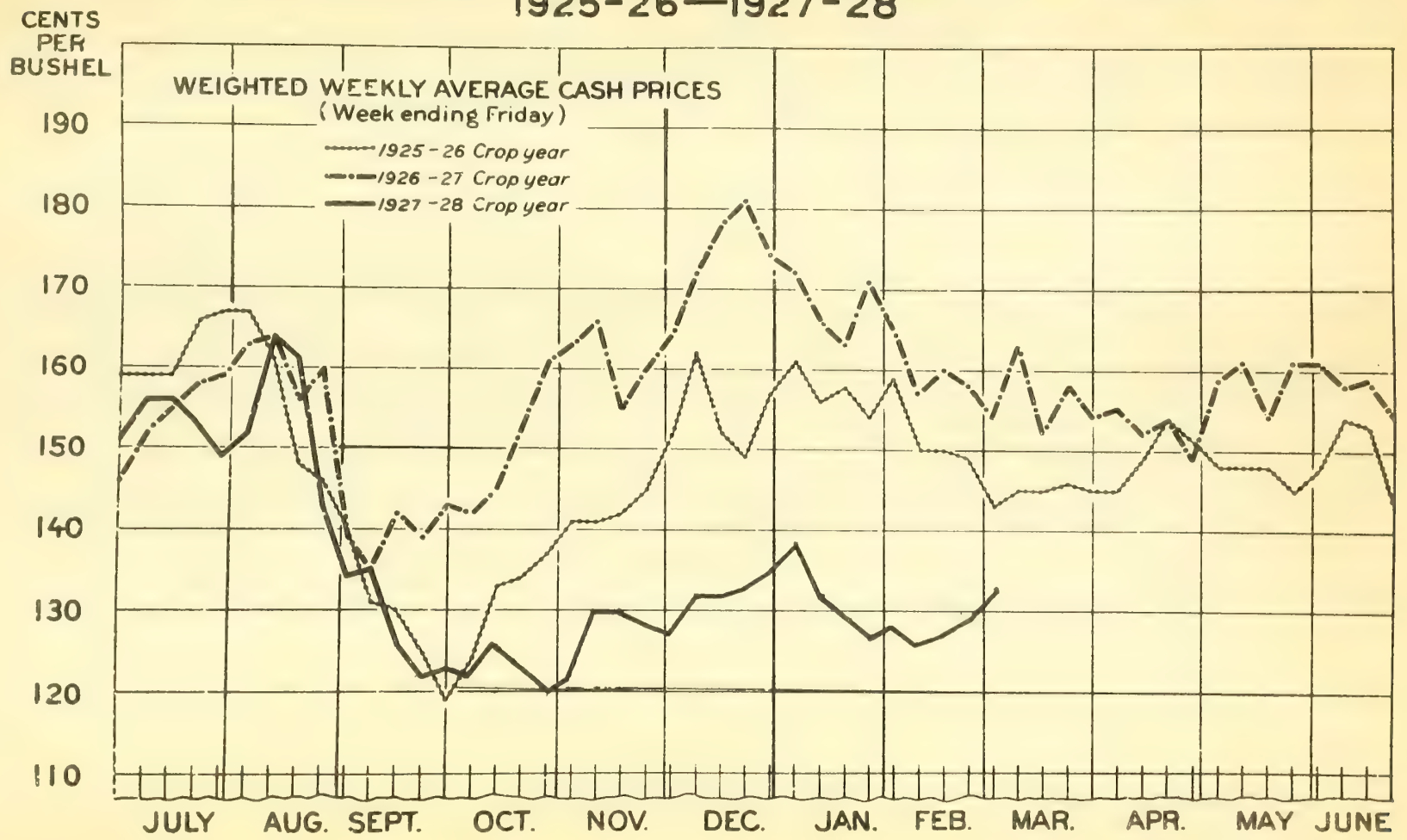


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WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS 1925-26—1927-28

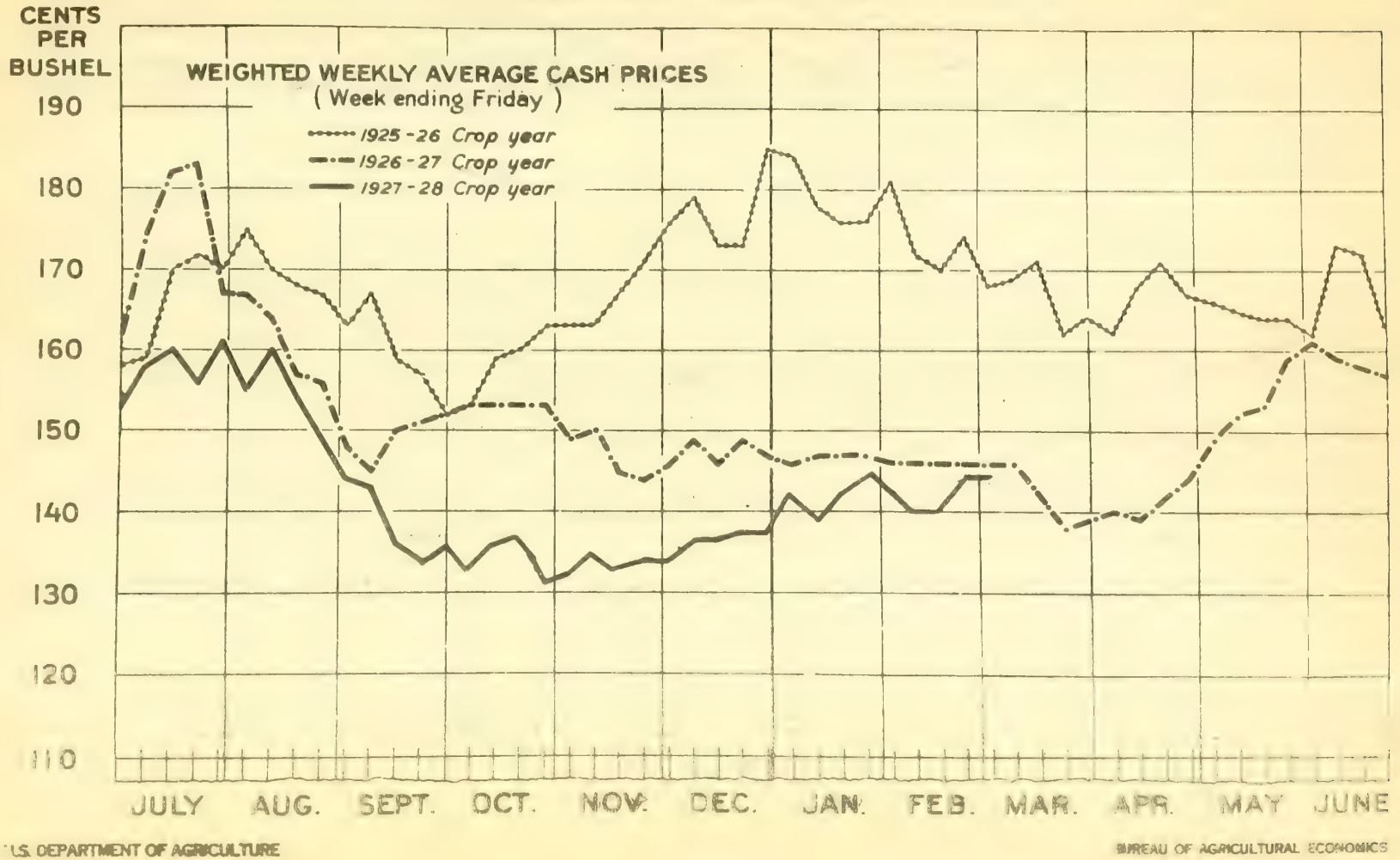


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WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS 1925-26—1927-28

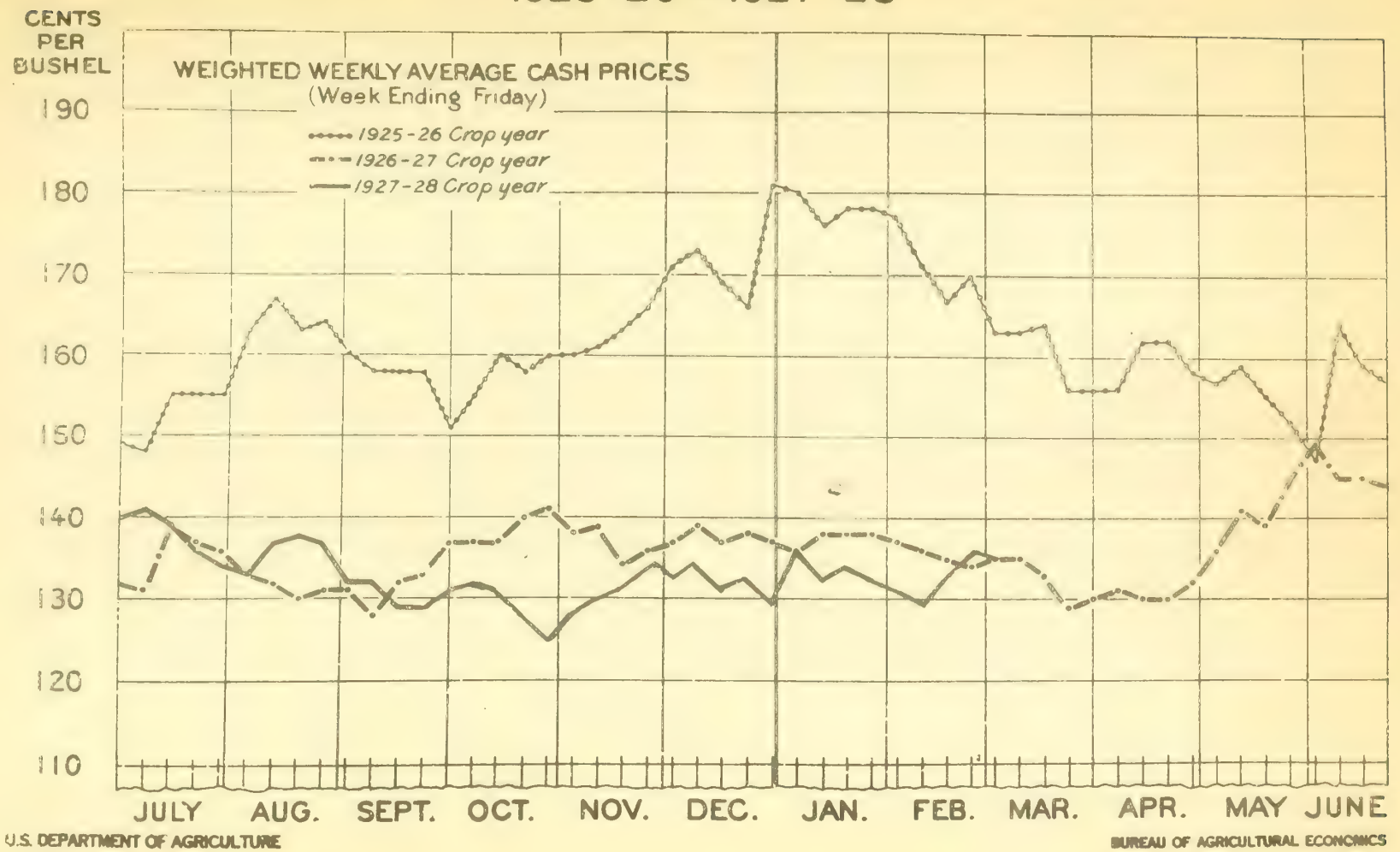


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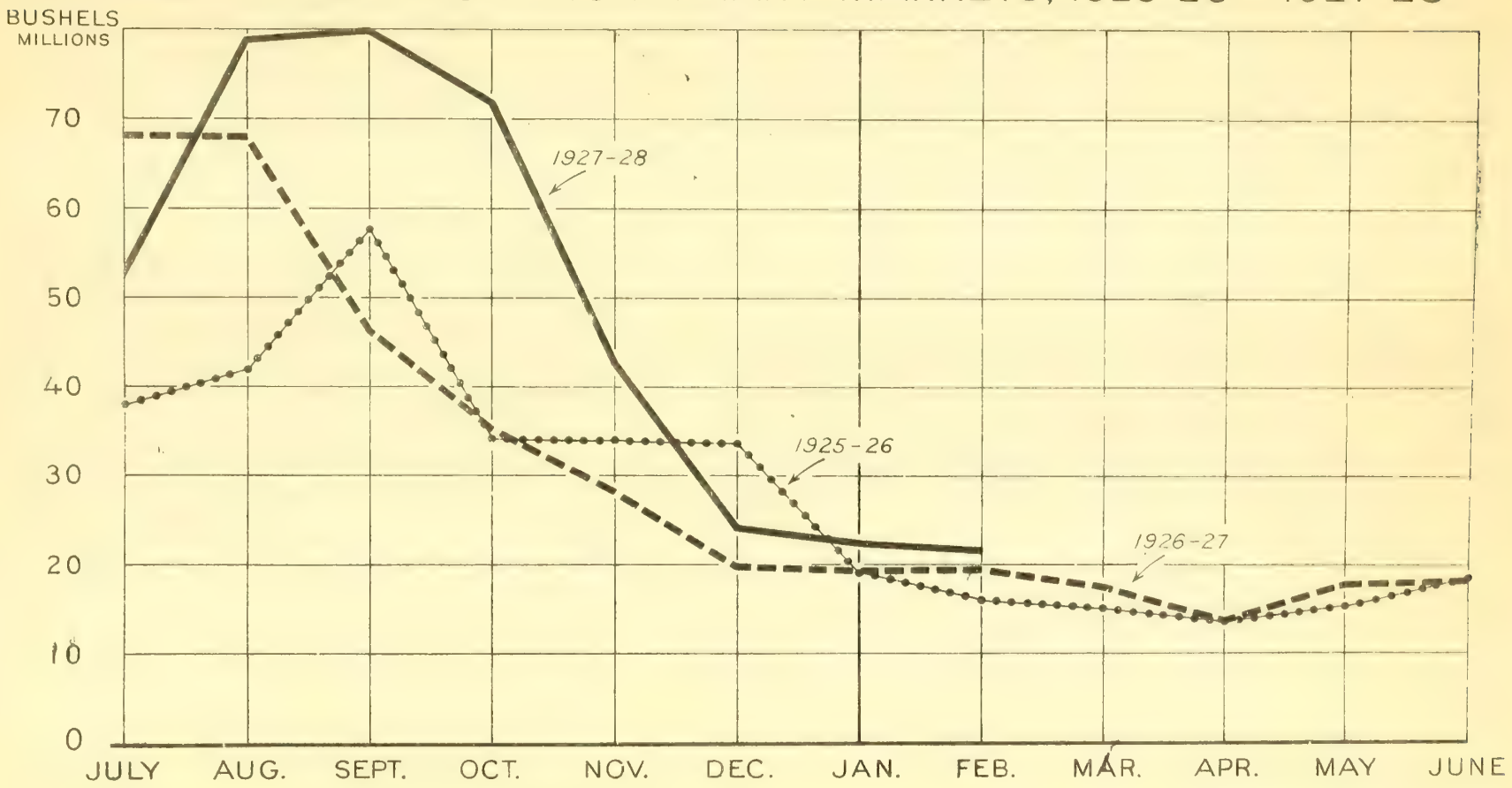
WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1925-26—1927-28



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WHEAT: RECEIPTS AT 13 PRIMARY MARKETS, 1925-26 – 1927-28



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UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON, D. C.

March 31, 1928

F.S.
WH-12

FOREIGN NEWS ON WHEAT

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THE GRAIN MARKET IN SOUTHERN SWEDEN

Our grain trade with southern Sweden shows a growing importance because of the increased demand for good quality wheat to mix with domestic wheat in making a high grade flour, according to a report received by the Foreign Service of the Bureau of Agricultural Economics from R. A. Boernstein, American Vice Consul at Malmo, Sweden. There has been a decided shift in the sources of supply from Russia and Germany before the war to United States and Canada during recent years. The flour milling industry has become organized on the basis of the large import trade and is concentrated in a small number of plants as a result of the substitution of steam and electricity for wind and water power, and the increase in the use of higher quality white flour. The export certificate plan in operation since July, 1926 has apparently raised the price received for domestic wheat and rye and stimulated exports. It does not seem likely that the export certificate plan will affect adversely the imports of qualities needed for blending purposes, particularly American and Canadian wheat.

Present conditions

A large surplus of bread and forage grains was formerly exported from Sweden, but the voluminous exports of American grain beginning about 1880 exercised a profound and adverse effect upon the Swedish grain trade. Present conditions indicate that although the trade has undergone a trying period of transition, it now manifests a growing importance. South Swedish mills, breweries, and yeast factories obtain their needs of domestic grain by purchase from competitive local dealers. However, the direct import of foreign grain was early undertaken by the mills themselves through the medium of agents, and since the close of the world war this practice has become even more pronounced. On the other hand, the growth of the animal industry has lead to increased activity on the part of grain dealers and agents in the importation of forage products. As an example may be cited the fact that in 1900 the Swedish imports of corn amounted to but 590,518 bushels as against 3,346,268 bushels in 1924.

As demand for foreign grain has increased, the direct importations have grown proportionately in volume, so that at the present time the Swedish grain trade is on as high a technical and commercial plane as that of neighboring countries. The high standard of business morality existing among Swedish grain dealers has won the entire confidence of foreign exporters. Large individual importations are the rule. The prompt and systematic dissemination of information as to conditions in foreign grain producing countries enables local brokers to follow the market closely.

The establishment in southern Sweden of agencies of foreign export firms has greatly facilitated direct contact between importers and exporters as the nearest agencies of this kind were formerly located in Copenhagen and Hamburg. To further accelerate distribution and maintain constant contact with purchasers, many of the larger wholesale dealers have appointed branch offices at strategic points through which local sales can be promptly effected.

Kinds of foreign wheat in demand

Foreign wheat usually sells on the local market in southern Sweden from 22 to 29 cents per bushel higher than the domestic variety. Western Manitoba wheat is said to be the variety generally preferred because of its glutinous properties which render it advantageous for blending with the soft Swedish wheat, according to Vice Consul Boernstein. However, owing to variations in quality that take place in world harvests from year to year, wheat from other localities such as Western United States, Argentina, etc. is often in great demand according to the results of analyses of gluten content.

American wheat is available at a more favorable time than the Canadian, as flour shipments from the south Swedish mills to northern Sweden are made principally by boat, and if too long delayed, the danger of the closing of the northern harbors by ice must be reckoned with. This year the northern ports were closed by ice earlier than usual and shipments to the North had to be made by the more expensive method of freight trains.

Briefly stated, certain foreign hard wheats are needed for blending with Swedish wheat in order to produce a flour that will absorb a higher percentage of water than pure domestic flour and hence give the bakers more bread for the quantity of flour used.

Grain crops in Sweden

Grain cultivation often suffers from the brevity of the summer and uneven temperature, the danger of frost constituting a frequent menace. This climate instability makes for crop variations from year to year. Production of grain crops the last two years are shown in the following table:

Crop	1926	1927
	Bushels	Bushels
Winter wheat ...	10,579,251	9,844,000
Spring wheat ...	1,783,705	1,444,000
Winter rye	22,459,559	18,275,000
Spring rye	865,424	665,000
Barley	14,868,879	12,472,000
Oats	86,057,250	78,895,000

The area devoted to grain cultivation has not increased proportionally with the acreage employed in growing root and forage crops. This is reported to be due to the fact that grain farming is attended by greater risk and is often unprofitable. There has been an increasing trend towards the production of forage crops to such an extent as to permit of exports to neighboring countries in good crop years.

Use of export certificates for grain

Export certificates for grain have been in use since July 26, 1926. At this time an ordinance was enacted to the effect that for every 100 kilograms of wheat and rye exported (3.7 bu. of wheat or 3.9 bu. of rye), but in quantities of not less than 500 kilos per shipment, the Swedish Government would, through its authorized officials, issue a so-called "Utforselbevis" or "Export Bounty", to individuals or firms exporting such products. Those documents entitle the exporter to import into Sweden a similar quantity of grain free of duty, or he can sell the certificates to the customs office at Stockholm, Swedish flour mills or grain importers for a sum equal to the amount of such duty less 2 per cent. Wheat, rye and barley are subject to an import duty of Swedish crowns 3.70 per 100 kilos (equivalent to 27 cents per bu. for wheat, 25 cents per bu. for rye, and 23 cents for barley). Oats are free from duty.

The use of export certificates is said to have resulted in a higher price to Swedish producers of wheat and rye during good and normal crop years than was formerly the case. At any rate, the price of Swedish wheat and rye has been higher in relation to world market prices, especially during the winter and autumn months, since the plan was inaugurated, states Vince Consul Boernstein. With regard to wheat, the price improvement can be estimated at 11 to 14 cents per bushel. This increase was not limited to the district surrounding the ports of export but extended to other production districts of the country.

Effect of export certificates on exports and imports of wheat

In the years immediately preceding the inauguration of the export certificate plan the exports of wheat and rye from Sweden were unimportant. Since that time they have increased considerably. The table on page 7 shows the exports of wheat from Sweden during 1925-26, 1926-27, and so far in 1927-28. It will be seen that exports in 1925-26, a year of a relatively good crop, were very small. In 1926 the crop was somewhat smaller but exports were much larger as a result of the export certificate plan. In spite of the poor wheat crop in 1927 the exports have been on a much higher level than in the years immediately preceding the inauguration of export certificates.

The use of export certificates does not seem to have caused any decrease in the importation of wheat. On the contrary, the Swedish trade statistics show that in 1926-27, the first year the plan operated, the imports were larger than in the preceding year. So far this season (1927-28) the imports have been on an even higher level, largely as a result of the poor 1927 Swedish crop. Foreign wheat, particularly

American and Canadian, is needed in Sweden for blending purposes and it does not seem likely that the export certificate plan will affect adversely the imports of the qualities needed.

SWEDEN: Imports of wheat grain, average 1909-13, annual 1925-27

Imported from	Average 1909-1913	1925	1926	1927 a/
	Bushels	Bushels	Bushels	Bushels
United States	412,000	2,941,842	2,903,042	
Germany	2,023,000	1,391,832	1,265,752	
Canada	27,000	1,641,357	1,045,854	
Russia (European)	2,390,000	0	653,588	
Denmark	599,000	489,560	312,810	
Argentina	487,000	1,011,598	299,186	
Australia	53,000	830,443	108,572	
Great Britain	b/ 123,000	420,773	25,500	
Netherlands	---	25,383	16,122	
Belgium	85,000	30,015	7,348	
Norway	---	375	369	
Other countries ..	572	52,556	369	
Total	6,199,572	8,835,734	6,637,512	6,652,257

Sources: International Trade in Wheat and Wheat Flour, Trade Promotion Series No. 10, United States Department of Commerce. Sveriges Officiella Statistik Handel 1925 and 1926 and Sveriges In-och Utforsel, December 1927.

a/ Not given by countries.

b/ Includes Irish Free State.

Milling Industry

The modern tendency of the south Swedish mill industry has been toward concentration, and flour production is now in the hands of a relatively small number of large plants. This process of centralization is the result of the substitution of steam and electricity as power in place of wind and water and to a constant increase in the use of white flour, the manufacture of which demands the employment of more complicated and costly machinery than was used by the earlier millers.

The use of wheat flour in place of rye has constantly increased in conjunction with an uninterrupted rise in bread consumption. At the same time the difference between the price of wheat and rye has steadily diminished and by the addition of foreign wheat to the domestic variety a wheat flour of such high grade has been produced as to emphasize the difference in quality between wheat bread and rye bread. The per capita consumption of wheat flour has steadily risen during the past twenty years while rye meal consumption has remained practically stationary, at times evidencing an actual decrease.

Improved means of communication have contributed greatly to the process of centralization as well as new inventions in milling machinery. In order to hold transportation costs to a minimum, most of the large mills have been erected at seaports in the grain producing areas of southern Sweden, where there is a plentiful supply of domestic grain adjacent and importations of foreign grains can be economically handled.

During the last few decades imports of foreign wheat and other grains have increased. Domestic production has not kept pace with the growth of population and the consumption of wheat flour. Besides, it has been found that an improved wheat flour results from the addition of foreign hard wheats to the native stocks.

While in most normal years the Swedish rye crop is sufficient to meet domestic needs, even record wheat harvests do not suffice to cover the domestic demands. As a rule about one half of the wheat consumed within the country is imported from abroad. The Province of Scania is the granary of Sweden. Although comprising only about 4 per cent of the total area of the country and containing less than 15 per cent of its entire population, Scania normally produces approximately one half of the Swedish wheat crop and one fourth of the rye crop. These crops are not, however, susceptible of material increase and partly on this account as well as the taste of the public for flour made of foreign wheat, no extensive expansion of the south Swedish mill industry is to be anticipated in the immediate future.

The wheat flour industry may be regarded as having attained its full development, although much rye flour is still being ground in small mills which use wind and water as power. Much of this grinding is for the private use of nearby farmers. Had it not been for the initiative shown by the larger mills in producing a flour of approximately the same quality as the so-called "American" type, it seems certain that the annual importation of wheat flour would have reached much greater proportions, as the taste of the public for a porous, light bread made it necessary for the bakers to have a flour of more absorbent qualities than that previously produced by the small mills.

On numerous occasions labor conditions have been difficult in the milling industry. Heavy imports of American flour, German export bounties, and sudden fluctuations in prices caused occasional periods of depression. Government intervention became necessaryduring the war period but joint action on the part of the mills themselves for mutual protection made further intervention on the part of the Government unnecessary.

Storage facilities

The storage facilities suitable for the accomodation of foreign grains are to a large extent in the hands of the mill owners, as there are no other adequate private or public grain elevators at the seaports. There are a number of government warehouses at inland points in the grain growing districts but these cannot be economically used for foreign grains. A well informed local grain agent states that in the absence of practical storage facilities other than those of the mill owners, it is a mistake for foreign exporters to send shipments of grain to agents in this district

before sales have actually been completed. Such grain must be stored in the warehouse of the mill owners, whose handling charges are, it is stated, often so high as to make it unprofitable, for example to take out of the warehouse and reship it to purchasers in the more northern sections of the country. The agent often finds in the end that it is better for him to sell the grain to the owner of the mill at which it is stored at a relatively low price than to withdraw it for sale to a prospective northern customer.

Stores of foreign grain are said to be kept at a fairly constant level throughout the year, while domestic grain is chiefly on hand during the months following the harvest. The south Swedish farmer might avail himself of the inland grain warehouses for storing his crop in anticipation of a better price, but he is frequently unable to do so for economic reasons.

Swedish as well as imported grain is sometimes stored in granaries belonging to the mills in Malmo, Trelleborg, Ystad, Ahus, Kristianstad, Landskrona, Helsingborg, and Kalmar, several of which have storage capacity of as high as 10,000 tons. A mill owner states that the mills are not always in a position to accept all of the domestic production in normal times, which may be one of the reasons for the exportation which has taken place during the past two years. However, the use of export certificates has undoubtedly been the moving factor in this export business.

Sanction of the rebates provided for in these certificates is reported to have been the result of an official effort to provide relief for farmers who complained that they weretoo much in the hands of the mill owners at the time of the harvest when the market was, in a sense, customarily glutted with domestic grain. During the present crop year exportation is reported to have been relatively light even with the support of the export certificates. The grain harvest was not satisfactory owing to bad weather,and a number of other factors have influenced the market. Exports of the 1926 harvest were much heavier.

When the Malmo free harbor was begun in 1916, it was intended to include a modern, public grain elevator of large capacity, but the appropriations were not sufficient and the elevator was not built. As the taxes are already very high and there is a general demand for their reduction, the prospects are not bright for early construction of the building. Grain is sometimes stored in the ordinary warehouses at the free port but the facilities are not considered adequate or satisfactory. A granary is also located at the port of Landskrona.

SWEDEN: Imports and exports of wheat grain only, by months
August 1925 - July 1928

Month and year	Imports	Exports
	Bushels	Bushels
1925-26		
August	811,815	4,056
September	610,074	4,078
October	501,082	163
November	628,684	20
December	566,978	3,693
January	383,939	4
February	282,285	4
March	461,717	604
April	377,538	140
May	454,077	7
June	544,595	1
July	572,614	456
Total	6,195,393	15,226
1926-27		
August	645,083	20,636
September	807,187	328,499
October	767,188	254,460
November	834,292	430,339
December	521,745	420,219
January	405,069	220,533
February	475,786	110,148
March	506,360	244,095
April	392,481	67,456
May	912,600	45,927
June	954,638	22,916
July	680,098	6,666
Total	7,902,525	2,171,894
1927-28		
August	774,087	4,263
September	1,049,173	147,712
October	875,694	175,071
November	772,032	103,891
December	911,345	37,156

Compiled from Sveriges In - och - Utforsel.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-13

April 13, 1928

FOREIGN NEWS ON WHEAT

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REDUCED DEMAND FOR WHEAT IN SHANGHAI

Flour prices and the exchange rate for silver at Shanghai have been too low to encourage millers buying wheat abroad this year, according to a report to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner Paul O. Nyhus. The price of United States Western Red No. 2 wheat has been considerably out of proportion to the price of flour, but several weeks ago one company received partial delivery on an order of 33,000 tons of Canadian No. 5 and No. 6 wheat.

Current conditions in the wheat milling industry of Shanghai

For three seasons previous to this year flour prices have advanced considerably after September, but this year avarage prices fell about 20 taels cents per bag of 49 pounds from September to December and only during the last days of February was there a recovery to the level of September prices - namely 2.32 taels (U.S. $1.46 per sack).

Having operated for three years on a rising market between September and May, dealers and speculators had become quite confident of a strong winter and spring flour market and to experience a falling market has made the current season unfavorable and in some cases disastrous to flour dealers. It is reported that Tientsin dealers in particular laid in heavy stocks of foreign flour in anticipation of a rising market and that these stocks and future contracts have been one of a number of depressing factors in the demand for Shanghai flour. Exports from Shanghai to the end of February were fully 15 per cent less than last season. Comparative prices on the Shanghai Flour Exchange are contained in table on page 3.

When flour prices dropped to a low level in December one of the largest milling companies in Shanghai greatly reduced its operations and in general the operations of the entire milling industry during January and February were very slack pending better flour prices and larges receipts of wheat. Supplies of domestic wheat that have reached Shanghai have not been large and wheat prices have been relatively stronger than flour prices. It is contended there are wheat supplies in the interior but that difficult transportation and excessive taxation enroute to Shanghai are keeping the supplies from reaching the Shanghai mills. At present the arrivals are small and prospects are unfavorable for operation of the mills beyond 40 per cent to 50 per cent capacity up to June when the new wheat crop comes on to the market.

An excess milling capacity has been built up in the Shanghai region which has access to about 25 million bushels of wheat, but which depends upon North China markets as its principal outlet for flour. Located in a rice diet region the strength of the Shanghai flour market is largely determined by the demands from North China where wheat, millet, corn and kaoliang (a grain sorghum) are the principal food cereals. This year a big crop of wheat in North Manchuria has made it possible for Harbin and North Manchuria mills to largely take care of South Manchurian requirements. Some Manchurian flour has also reached Tientsin.

Another weakening factor in the Shanghai flour market is the low price of rice this year. There was a big crop of rice in 1927 in the Yangtsze Valley and the low price as compared to the past few years has undoubtedly curtailed what is even normally a relatively small consumption of flour by the natives of the Shanghai region who are accustomed to a rice diet. Moreover, low prices of rice have probably caused large imports of rice into North China where the natives who can afford it prefer rice to other cereals.

As pointed out in the Foreign Service report of February 9, 1928, on the Foreign Wheat Trade of Shanghai, conditions are not usually favorable to importing American wheat if the cost per half picul (66-2/3 pounds) is more than the price of flour per sack of 49 pounds. The tables on the following pages show the margin prevailing this year.

Prices of wheat and flour at Shanghai, China, and exchange rates, crop years, 1926-27 to 1927-28

Year and month	Price of native wheat per ½ picul a/ b/	Price of western red wheat at Portland, and ocean freight to Shanghai per ½ picul a/ c/ d/ f/	Price of flour per 49 pound sack at Shanghai e/	Margin of Portland price, and freight over native wheat price	Margin of price Portland wheat per ½ picul over flour at Shanghai	Equivalent of Shanghai Tael in cents United States currency
1926-27	Shanghai Taels	Shanghai Taels	Shanghai Taels	Shanghai Taels	Shanghai Taels	Cents
July	2.10	2.37	2.18	.27	.19	71
August	2.11	2.38	2.16	.27	.22	68
September	2.20	2.40	2.19	.20	.21	66
October	2.41	2.80	2.37	.39	.43	60
November	2.48	2.79	2.44	.31	.35	58
December	2.43	2.79	2.38	.36	.41	58
January	2.48	2.63	2.38	.15	.25	61
February	2.42	2.55	2.37	.13	.18	62
March	2.53	2.68	2.43	.15	.25	60
April	2.27	2.64	2.45	.37	.19	61
May	2.38	2.88	2.50	.50	.38	62
June	--	2.71	2.40	--	.31	63
1927-28						
July	2.02	2.47	2.24	.45	.23	62
August	2.20	2.62	2.32	.42	.20	60
September	2.18	2.52	2.32	.34	.20	62
October	2.06	2.47	2.22	.41	.25	62
November		2.41	2.22		.19	63
December		2.37	2.13		.24	64
January		2.32	2.20		.12	64
February		2.41	2.25		.16	63

a/ ½ picul is equivalent to 66-2/3 pounds or about 1-1/10 bushels. b/ Midmonth quotations of Shanghai cereal and oil exchange for delivery current month. c/ Ocean freight equivalent to about $5.50 gold per ton or 17 cents United States per bushel. d/ Monthly average of daily bid price as quoted by Northwest Daily Produce News. e/ Midmonth quotations of Shanghai flour exchange for delivery current month. f/ Ministry of Finance, Bureau of Markets Monthly Report on Prices and Price Indexes in Shanghai.

Prices of wheat and flour at Shanghai, China, crop years 1926-27 to 1927-28

Year and month	Price of native wheat per bushel	Price of western red wheat at Portland, and ocean freight rate to Shanghai per bushel	Price of flour per 49 pound sack at Shanghai	Margin of Portland price and freight over native wheat	Margin of price of Portland wheat and ocean freight over price of a bag of flour at Shanghai
1926-27	Dollars	Dollars	Dollars	Dollars	Dollars
July	1.34	1.52	1.55	.18	-.03
August	1.29	1.47	1.47	.18	0
September	1.30	1.44	1.45	.14	-.01
October	1.30	1.51	1.42	.21	+.09
November	1.29	1.50	1.42	.21	+.08
December	1.27	1.48	1.38	.21	+.10
January	1.36	1.46	1.45	.10	+.01
February	1.35	1.46	1.47	.11	-.01
March	1.36	1.46	1.46	.10	0
April	1.24	1.47	1.49	.23	-.02
May	1.33	1.61	1.55	.28	+.06
June	--	1.53	1.51	--	+.02
1927-28					
July	1.13	1.46	1.39	.33	+.07
August	1.19	1.43	1.39	.24	+.04
September	1.20	1.40	1.42	.20	-.02
October	1.15	1.39	1.38	.24	+.01
November		1.38	1.40		-.02
December		1.38	1.36		+.02
January		1.40	1.40		0
February		1.38	1.42		-.04

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-14

April 18, 1928

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports to April 14, 1928)

Advancing wheat prices together with a good Continental European demand are favorable for marketing the remainder of our export surplus of hard winter and hard red spring wheat. The increased wheat surplus in Canada as compared to last year is offset by reduced surpluses in the Southern Hemisphere, the Balkans, and Russia. Prices are advancing in foreign markets as well as in the United States where the average of all wheat prices is now higher than in the corresponding month last year for the first time since August. Unfavorable growing conditions for the new crop both in the United States and northern Europe are strengthening factors.

The estimated world supply of wheat shows little change during the past month. Production in 46 countries exclusive of Russia amounts to 3,485 million bushels which is 4.0 per cent above the 3,352 million produced by them in 1926. Total supplies of grain reported in the 4 principal exporting countries are somewhat larger than at the same time last year. The United States visible supply on March 31 was 73 million bushels, which is 19 million bushels greater than at the same time last year. Canadian visible supply on March 31 was 144 million against 109 million a year ago. The supply in the Western Grain Division on March 30 was 120 million bushels, or 23 million greater than in the preceding year. This increase in the North American visible supply is partially offset by decreases in the indicated exportable surpluses in Argentina, Australia and Europe. The exportable surplus in Argentina on April 12 is estimated to be 27 million bushels below that of a year ago and the surplus in Australia on April 1 is estimated to be about 10 million below. There is no prospect of any significant export from Russia for the balance of the year, whereas last year there were 8 million bushels shipped out between April 1 and June 30. Net exports since the beginning of the season as far as they are reported for all important exporting countries amount to 604 million bushels compared with 613 million for the same period last year.

Latest reports of wheat imports into European countries since the first of July total 371 million bushels, which is only 12 million above takings in the corresponding period last year. Depletion of domestic European stocks, the growing scarcity and increasing prices of rye and some concern over the 1928 crop caused by winter killings and by the cold weather in March which delayed spring sowing, are all factors stimulating purchases and now seem to indicate that the European demand for the balance of the season, with the possible exception of France, may closely approximate the high figures for the corresponding period of last year.

New crop production prospects are beginning to be an important factor in the market. Low condition in the United States and unfavorable conditions in parts of Europe may offset to a considerable extent increases in area of seedings. The total area seeded as reported to date amounts to a little more than one-half of the world's total wheat crop and is about 4 per cent greater than last year. A large part of this increase, however, is in the United States and much of it may be eliminated by abandonment. The April 1 condition is about as bad as im 1925 when about 20 per cent of the fall seeded area was abandoned. Nine European countries report a total increase of 1.6 per cent over last year but the area seeded in these countries is still less than in 1926. The significance of the reported increase in Russia is subject to modification by condition and abandonment. India may be harvesting a crop slightly larger than last year but the increase, if any, will not be a significant factor in the world's markets.

Canadian supplies larger

Conditions around Sault Ste. Marie were favorable on April 5 for an early break up of the remaining ice and navigation was then expected to open about April 15. The cold weather since April 5 will retard the opening, however. The average date of opening at Sault Ste. Marie is April 20. Trade reports stated that Lake Huron and the St. Clair river were free from ice by April 4. No report is so far available this spring for Lake Superior. Navigation at Fort William-Port Arthur usually starts about 5 days later than at Sault Ste. Marie. Last year navigation began at Fort William-Port Arthur on April 14 and the year before on May 3. Shipping was expected to start at Montreal on April 13 which is earlier than usual. Under the terms of an agreement concluded between the principal lake carriers last December no contracts were to be made calling for shipments of grain before May 1. On April 7 the United States Department of Justice announced that a petition for an injunction had been filed in the United States Court at Cleveland in an effort to annul this agreement. With the Canadian surplus larger than usual, a shortening of the possible exporting season may cut down the amount of wheat to be shipped out between now and June 30. Present indications are for a considerable increase in surplus available for shipment from Canada the balance of the season over shipments for this period last year. Total Canadian stocks reported in store on March 23, which does not include farm stocks or stocks in mills, were 154 million bushels compared with 115 million last year and 107 million the year before. Figures just received on total stocks appear on page 6.

Australian surplus reduced

The Australian official estimate of production remains at 109 million bushels compared with 161 last year. A more recent estimate from a correspondent of this Bureau in Sydney, based on deliveries from farmers, places the crop between 104 and 110 million bushels. This correspondent reports that deliveries from farmers at country railway stations had been completed by March 6, the date of his report. The fair average quality

standard fixed by the various Chambers of Commerce, he says, varies in the different states from 60-1/4 to 62 pounds natural weight. It is good dry milling wheat, he reports, and being a white wheat is likely to have attention in the international markets because of its condition and dryness.

Australian shipments from January 1 to March 30 this year were 26.5 million bushels compared with 64 million for the same period last year. Assuming a carryover of 4 million bushels and allowing for a domestic consumption of 45 million bushels, this would leave an exportable surplus for the remainder of the calendar year of 41 million bushels compared with a corresponding figure of 51 million last year. The amount shipped out last year between April 1 and June 30 was 28 million bushels. The present prospect this year is for a free movement of surplus in the next few months. Our Sydney correspondent expects that if international wheat prices reach $1.67 to $1.70 a bushel, Australian growers will sell the balance of their crop pretty freely while if international prices do not go above $1.58 it will be shipped out slowly throughout the remainder of the year. On March 21, the latest date available, Australian wheat was quoted at Liverpool at $1.667 a bushel. At prevailing freights our correspondent reports a price of $1.67 c.i.f., would be equivalent to about $1.52 at country stations. Freight rates for full cargoes at the time of the report were offering at around 21.2 cents a bushel and a few charters had been arranged. Parcel freights were plentiful at 19.6 cents. There was a prospect of freight rates falling slightly during the next few months.

Argentine surplus smaller

Total exports from Argentina from January 1 to April 7 amount to 87 million bushels compared to 67 million for the same period last year. Allowing a domestic consumption of 77 million bushels and assuming a carryover of 15 million bushels into the new crop year and an export of 6 million bushels from April 8 to 12, this would leave a surplus of 83 million bushels for export the balance of the calendar year compared with the official estimate of 110 million last year. The exports from April 1 through June last year were 56 million bushels.

1928 wheat area and conditions

Total winter wheat acreage for 16 countries reported to date, exclusive of Russia, is 137,680,000 acres, which is still 4 per cent greater than the area reported for the same countries last year when they accounted for 56 per cent of the total world winter and spring acreage exclusive of Russia. The total winter wheat acreage of the 15 foreign countries reporting is 89,783,000 acres, or only 1.4 per cent above winter acreage for those countries last year. An estimate of Russian winter wheat acreage is also now available, 27,794,000 acres, which is 2.7 per cent above last year's acreage, but offset by a decrease in rye acreage.

Early condition reports continue to indicate little change in the size of the winter wheat crop as compared with last year, but the plant is not yet advanced enough to form the basis for any actual estimation of the harvest. The condition of winter wheat in the United States on April 1 is

68.8 per cent of normal compared with 84.5 per cent at this time last year. The official report of the amount of area abandoned will not be available until May 9.

In Europe there was a cold wave about the middle of March which is believed to have caused some additional damage to the growing crop. Conditions appear to continue poorer than last year in Northern Europe which is at least partially balanced by good conditions in the south, leading to early indications of a crop for Europe outside of Russia not far from that of last year. The condition of the German crop on April 1 was only 84 per cent of the 10 year average compared with 109 per cent at that time last year. Conditions in southern Italy where durum is grown are excellent, whereas last year drought was being felt. For Russia the situation is uncertain. It is generally reported that there has been more or less winter killing but the Commissariat of Agriculture states that the condition of winter cereals is favorable in the greater part of the country. Losses are reported in Ukraine and Crimea.

Reports available for North Africa are favorable to a crop as large as last year in the three countries where durum is an important part of the crop.

India's second estimate of acreage, of 31,332,000 acres, is 0.5 per cent above the corresponding estimate for last year. Conditions of the growing crop appear to be about average, whereas last year the yield per acre was slightly below the 10-year average. The first estimate of production in the Punjab, which grows about a third of the Indian crop, is 123,568,000 bushels compared with a crop of 128,091,000 last year, but the Punjab acreage was also less than last year's.

Work on the spring crop has been delayed in Europe by cold weather in March. In Canada the amount of fall ploughing last yell was small compared with the average, but the total was greater than in the preceding fall, amounting to 28 per cent of the area intended for 1928 crops, compared with 20 per cent for 1927 crops and 26 per cent for 1926 crops. Seeding was general in Alberta the first week in April, which gives promise of an early completion of seeding. Last year only 10 per cent of the spring wheat area of that province was completed in April. In Russia sowing of spring cereals has begun in the south, but the government has difficulty in supplying implements in some districts. It also has a problem in coping with the efforts of the rich peasants to reduce acreage.

Weather conditions up to the first week in March were favorable to an increased Australian acreage for the new crop for which seeding will begin in May. A continuance of these favorable conditions will not necessarily result in increased acreage, according to a Sydney correspondent of this Bureau, since wheat growers generally are carrying a fair number of sheep, and have found wool more profitable than wheat the past two years.

Abandonment of Winter Wheat in United States

Based on the relationship between the December and April 1 conditions of the winter wheat crop and abandonment as reported on May 1, this year's abandonment will be heavy as compared with the last two years and the ten

year average and approximately the same as in 1925 when the abandonment was 21.6 per cent of the acreage sown in the fall of 1924. This assumption is based on the estimate secured by using the method described in the December 1925 issue of Crops and Markets, to estimate the probable abandonment of winter wheat before the abandonment report of the Department of Agriculture as of May 1 is available. This estimate does not take into account the influence of April weather conditions which might increase or decrease the actual abandonment as compared with that estimated from the condition reports of December and April 1. The December 1 condition last year was 86 per cent of a normal as compared with 81.8 per cent the year before and 81 per cent in 1925. The April 1 condition this year was 68.8 per cent as compared with 84.5 per cent last year and 68.7 per cent in 1925, which makes the April 1 condition this year practically the same as in 1925. Should the abandonment be as large as in 1925, the acreage remaining to be harvested would be approximately the same as last year.

The table below shows the method of estimating the probable abandonment and a comparison of estimated abandonment with actual abandonment figures.

Formula:

December 1 condition x .178 + 59.68 - April 1 condition x 0.775 = % abandonment

	1	2	3	4	5	6	
Year	Cond. Dec. 1 prev. year	x .178	Add 59.68 to (2)	Apr. 1 condition	x 0.775	Estimate (3-5)	Actual abandonment
	Per cent			Per cent		Per cent	Per cent
1925 ..	81.0	14.42	74.10	68.7	53.24	20.9	21.6
1926...	82.6	14.70	74.38	84.1	65.18	9.2	7.3
1927...	81.8	14.56	74.24	84.5	65.49	8.75	12.9
1928...	86.0			68.8			

WHEAT: Inspections in the western grain division of Canada, 1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 - March 31				August 1 - July 31			
	No. 1 Northern	No. 2 Northern	No. 3 Northern	Total first 3 grades	No. 1 Northern	No. 2 Northern	No. 3 Northern	Total first 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24	38.3	25.0	22.1	85.4	37.3	25.7	22.7	85.7
1924-25	19.7	18.4	18.6	56.7	19.5	19.3	18.6	56.4
1925-26	23.0	27.0	13.5	63.5	22.4	27.0	13.8	63.2
1926-27	10.3	18.6	8.3	37.2	9.2	17.7	8.0	34.9
1927-28	1.2	9.3	24.7	35.2	---	---	---	---

Board of Grain Commissioners, Winnipeg.

Canadian stocks and exports

Total stocks of Canadian wheat in all positions on March 31, including Canadian wheat in the United States amounted to 219,546,000 bushels which is 45,164,000 bushels greater than at the same time last year and 17,053,000 larger than on March 31, 1924 following the record crop of 474 million bushels in 1923. In the past five years the exports from April 1 to June 30 have varied between 31 and 42 per cent of the total stocks on March 1.

Canadian Wheat Production, Stocks on March 31 and Exports April 1 - June 30 following crops of 1922 to 1927

Crop Year	Production	Stocks on following March 31		Exports following April 1 to June 30	
		Farm Stocks	Total stocks all positions including farm stocks	Total amount	Per cent of stocks on March 31
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Per cent
1922	399,786	54,771	139,788	50,021	36
1923	474,199	70,755	202,493	84,215	42
1924	262,097	39,225	121,084	37,668	31
1925	395,475	50,878	161,376	63,255	39
1926	407,136	51,366	174,382	74,042	42
1927	440,025		219,546		

International trade in durum wheat

Exports of United States durum through Canada from July 1 to February 29 amount to 14,489,000 bushels compared with 17,254,000 for that period last year. Exports from United States ports as indicated by inspections for export were considerably larger through January than last year, so that total indicated exports of United States durum as far as reported are 16,727,000 bushels or only 1,082,000 less than for the corresponding period last year. Inspections of Canadian durum through March are larger than last year, amounting to 13,185,000 bushels, compared with 12,512,000 in 1926-27. Russian durum exports as indicated by imports into Italy have been small up to January 1, amounting to only 174,000 bushels compared with 854,000 for the same period last year. Algeria had exported 2,345,000 bushels of durum up to the first of January compared with 1,697,000 in 1926-27. Total Italian imports of durum to the first of January were 9,811,000 bushels compared with 8,550,000 last year. See tables on page 7.

DURUM WHEAT: Inspections and trade in specified countries, years beginning July 1, 1925-26, 1926-27; months reported 1927-28 and earlier years

Country and movement	Year beginning July 1		Months	Amounts reported for		
	1925-26	1926-27		1925-26	1926-27	1927-28
EXPORTING COUNTRIES	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels	1,000 bushels
United States -						
Inspections in U.S. a/	4,170	611	July-Jan	279	555	2,238
Inspections in Canada, Eastern Division	22,802	19,108	July-Feb	13,716	17,254	14,489
Total U.S. wheat	27,069	19,996		13,995	17,809	16,727
Canada-						
Inspections in Western Division b/	7,512	13,047	July-Mch	7,074	12,512	13,185
Russia, imports into Italy	1,656	2,534	July-Dec	422	854	174
France c/	d/ (81)	481	July-Sep	e/	38	24
Algeria	f/(5,655)	1,770	July-Dec	e/	1,697	2,345
IMPORTING COUNTRIES						
Italy, total imports	16,049	20,419	July-Dec	6,046	8,550	9,811
France-						
Total imports	g/(4,694)	9,804	July-Sep	e/	2,470	1,570
Imports for consumption	g/(3,257)	3,954	July-Sep	e/	1,678	1,117

Taken from official sources of the reporting countries and the International Institute of Agriculture. a/ Does not include durum in wheat classified as mixed. b/ Includes a small amount of mixed wheat. c/ Total imports of durum into France from Russia, rather than imports for consumption. d/ Half-year January-June. Comparable figure for 1926-27 is 344,000 bushels. e/ Not separately classified. f/ Total exports of durum and other wheat. In 1926-27 durum exports were 88 per cent of the total wheat exports. g/ Half year January-June. Comparable figures for 1926-27 for total imports were 2,687,000 bushels and imports for consumption 449,000 bushels.

DURUM WHEAT: Inspection by grade in the western grain division of Canada, 1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 - March 31				August 1 - July 31			
	No. 1	No. 2	No. 3	Total first 3 grades	No. 1	No. 2	No. 3	Total first 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24	1.3	22.3	52.1	75.7	2.0	22.7	49.2	73.9
1924-25	0.7	14.6	45.9	61.2	0.6	13.7	43.3	57.6
1925-26	3.6	28.6	18.6	50.8	3.4	27.3	18.6	49.3
1926-27	0.2	5.1	7.6	12.9	0.2	4.7	7.3	12.2
1927-28	0.1	7.7	34.2	42.0	---	---	---	---

Board of Grain Commissioners, Winnipeg.

Wheat prices

All classes of wheat continued to advance in price during March although the rise was somewhat greater with some classes than others. Stronger prices in the United States seem to have been influenced more by domestic conditions as they have advanced relatively more during March than prices at Liverpool.

The weighted average cash price of all classes and grades at the six principal United States markets remained quite steady throughout the month. Beginning at a point one cent above the high level in February the price advanced from $1.35 per bushel the week ending March 3 to $1.37 the following week, dropped 2 cents the next week, then advanced again to $1.37 and continued at this level to the end of the month. The average price for the month was $1.37 as compared with $1.32 in February and $1.34 a year ago. Of the various classes, the advance in hard winter and especially soft red winter was considerably greater than for the spring wheats. No. 2 hard winter at Kansas City advanced from $1.35 at the beginning of the month to $1.38 the second week, then dropped to $1.36, but recovered to $1.41 the week ending March 23 and continued at this price to the end of the month. No. 2 soft red winter at St. Louis advanced rapidly and steadily throughout the entire month from $1.61 per bushel to $1.76, a new high level for the season and 49 cents above last year's price. No. 1 dark northern spring at Minneapolis made only moderate gains during the month. Advancing from $1.45 per bushel the week ending March 3 to $1.48 the next week, the price then dropped back to $1.45 but advanced to $1.47 the week following this to continue at $1.47 the remainder of the month. The price of No. 2 amber durum at Minneapolis failed to maintain the marked advance begun during the last part of February, for after reaching $1.33 the week ending March 3 the price remained unchanged the following week then declined to $1.31 for the week ending March 16. The price advanced to $1.35 the following week but did not advance during the last week of the month. With the exception of No. 2 amber durum at Minneapolis, the prices of these grades of wheat are above those of last year.

Closing prices of May futures strengthened quite materially at the North American markets during March but only moderately at Liverpool. The advance in futures has been gradual except for a slight set-back on the United States markets the second week of March. Factors affecting the market during the month on the whole gave an optimistic tone to the market. The effect of adverse conditions in the soft red winter wheat district were off-set by conditions in the hard winter district where the outlook has been more favorable. Smaller stocks on farms and in country mills and elevators on March 1 as compared with last year and the fact that Europe continued to absorb large quantities of foreign wheat with steady to stronger prices were strengthening factors on the domestic markets.

The closing price of May futures at Chicago was 135 cents per bushel on March 1, then advanced to 138 cents a week later, declined 1 cent the third week, then advanced again to 144 cents by March 29. A week later the price had dropped to 143 cents as compared with 135 cents the year before. At Kansas City, on April 5, May futures were 134 cents as compared with 130 on March 8 and 127 cents the year before. Minneapolis May futures were 136 cents April 5 compared with 132 cents on March 8 and 133 cents the year before. The Winnipeg May futures, April 5, at 145 cents were 5 cents higher than a month before and 4 cents higher than the year before, while the Liverpool price, at 153, was only 2 cents higher than a month ago and also a year ago. The relatively greater advance in May futures at Chicago than at Liverpool has narrowed the spread between the Chicago and Liverpool prices from 15 cents (in favor of Liverpool) on March 1, to 9 cents on April 12 as compared with 18 cents a year ago.

WHEAT: Weighted average cash prices at stated markets

Months and weeks	All classes and grades six markets	No. 2 hard winter Kansas City	No. 1 dk.N.spring Minneapolis	No. 2 amber durum Minneapolis	No. 2 red winter St. Louis
	1926 1927	1926 1927	1926 1927	1926 1927	1926 1927
	Cents Cents	Cents Cents	Cents Cents	Cents Cents	Cents Cents
July	142 139	137 136	175 158	154 153	142 141
August	135 136	131 135	156 150	153 140	154 142
September	136 129	132 131	148 137	138 128	136 142
October	139 125	139 123	153 134	150 123	140 145
November	138 126	137 131	148 134	161 128	136 141
December	139 128	138 132	148 137	174 132	137 144
	1927 1928	1927 1928	1927 1928	1927 1928	1927 1928
January	147 131	137 133	147 143	168 130	138 151
February	136 132	135 133	146 142	160 129	135 156
March	134 137	133 138	143 147	157 133	130 169
April	135	131	141	154	129
March 2	135 135	135 135	146 145	154 133	132 161
9	136 137	135 138	146 148	163 133	133 166
16	134 135	133 136	142 145	152 131	132 168
23	130 137	129 141	138 147	158 135	126 170
30	132 137	130 141	139 147	154 135	127 176
April 6	133 140	131 143	140 151	155 135	129 181
13	133	130	139	152	127

WHEAT: Closing prices of May futures

Date	Chicago	Kansas City	Minneapolis	Winnipeg	Liverpool	Buenos Aires a/
	1927 1928	1927 1928	1927 1928	1927 1928	1927 1928	1927 1928
	Cents Cents	Cents Cents	Cents Cents	Cents Cents	Cents Cents	Cents Cents
March 1	140 135	133 127	139 129	142 139	150 150	129 130
8	139 133	132 130	139 132	143 140	151 151	130 132
15	136 137	130 129	135 131	140 141	149 151	129 133
22	134 141	126 132	131 134	139 142	147 153	127 133
29	134 144	127 135	132 137	140 143	149 153	129 134
April 5	135 143	127 134	133 136	141 145	151 153	128 135
12	133 149	126 140	133 142	139 150	151 158	127 137

a/ Prices are as of day previous to date of other market prices.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27, and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year beginning July 1			1927-28 estimate		Net exports reported		
	1924-25	1925-26	1926-27	Minimum	Maximum	July to and including	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States ..	255	92	206	210	230	Apr.2	a/ 167	a/171
Canada	194	320	305	310	340	Feb.	210	b/211
Russia	1	27	49	7	15	Feb.	31	6
British India...	45	7	9	8	10	Mar.	7	10
Rumania	4	9	9	5	15	Jan.	10	10
Bulgaria	c/	4	2	2	6	Oct.	1	1
Hungary	15	19	21	15	20	Jan.	16	15
Yugoslavia	10	12	10	d/	3	Dec.	8	1
Algeria	c/	5	e/	3	6	Jan.	2	1
Total above N. Hem.countries	524	495	611	560	645		452	426
Argentina	127	100	140	140	170	Apr.7	91	127
Australia	124	77	87	55	80	Apr.7	70	51
Chile	9	2	e/	0	10	Nov.	e/	e/
Total above S. Hem.countries	260	178	227	195	260		161	178
Grand total....	784	673	838	755	905		613	604
More probable estimates				810	860			

a/ Exports through March less imports through February.
b/ Exports through February less imports through December.
c/ Net imports.
d/ Reported as possibly on an import basis.
e/ Less than 500,000 bushels.

WHEAT: Summary of statistics, 1926 and 1927

Item	1926-27	1927-28
	1,000 bus.	1,000 bus.
Production:		
Est. world excl. Russia and China	3,421,000	3,539,000
46 countries reporting to date, excl. Russia	3,351,884	3,485,130
Europe, excluding Russia, 27 countries	1,206,432	1,261,887
Russia	809,650	749,560
United States	831,040	871,691
Canada	407,136	440,025
Argentina	220,827	238,832
Australia	160,587	109,000
Carryover at beginning of crop year:		
United States, July 1	98,000	124,000
Canada, stocks July 31	35,601	50,586
Argentina, January 1	35,339	a/ (15,000)
Australia, January 1	---	a/ (4,000)
Trade movement beginning July 1:		
Exports of exporting countries reported to date	613,000	604,000
United States exports to March 31 less imports through February	167,000	171,000
Canada, exports through February less imports through December	210,000	211,000
Argentina, exports to April 7	91,000	127,000
Australia, exports to April 7	70,000	51,000
Imports of importing countries reported to date	363,000	375,000
Supplies on hand and interior distribution:		
United States -		
Farm stocks, March 1	130,007	130,230
Mill grindings, July 1 to February 29	391,000	387,000
Visible supply, March 31	53,827	73,220
Canada-		
Receipts at country elevators and platform loadings, August 1 to March 31	320,887	b/ 366,000
Visible supply Western Grain Division, March 30	96,940	119,592
Stocks at Ft. William-Pt. Arthur, Vancouver and Prince Rupert, March 30	49,952	65,858
Receipts, Ft. William-Pt. Arthur, Vancouver and Prince Rupert, August 1 to March 30	243,717	276,552
Shipments, Ft. William-Pt. Arthur, Vancouver and Prince Rupert, August 1 to March 30	206,636	326,764
Argentina-		
Exportable surplus, April 12	109,797	c/ (83,000)
Australia-		
Exportable surplus, March 30	a/ 51,000	a/ 41,000
United Kingdom-		
Port stocks and afloat, March 31	80,400	77,500
Germany-		
Total stocks on farms, February 15	23,995	48,539
Stocks available for sale Fenruary 15	17,000	39,000

a/ Preliminary estimate. b/ March 21, 1928. c/ Preliminary estimate based on production and carryover less estimated consumption and exports to date.

The Continental European Wheat Situation a/

The revival in Continental demand for wheat during the first half of February continued up to the first of April, although a slightly quieter tendency has been evident since the middle of March, according to Acting Agricultueal Commissioner L. V. Steere at Berlin. Buying of overseas wheat was active and the volume of sales large, according to reports from markets in all deficit countries, including Italy, France and Central European countries such as Austria and Czechoslovakia, as well as in Northwestern Europe. The long period of slow flour and grain buying at the close of the year and in the early weeks of 1928 apparently resulted in the accumulation of substantial trade requirements, the filling of which in recent weeks of active buying has imparted unexpected strength to the world wheat market and thereby stimulated even further buying. Continental demand has also been influenced by local factors, namely, the unusually cold March weather over much of the Continent, which has aroused concern as to damage to crops and delayed the spring sowing campaign. The growing scarcity of rye and mounting prices have also strengthened demand for wheat. These developments, together with evidence of rapid depletion of domestic stocks in many countries, now seem to indicate that grain requirements in most Continental countries during the balance of the season, excepting possibly in France, may closely approximate the high figures of last year for the corresponding period.

The flour market, after a month of much improved business, has been quieter since the middle of March, but there is every indication that wheat and flour are continuing to move rapidly into consumption, as wheat flour sales have been very large since early February, and still appear of good volume. Rye flour is in active demand, but offers are limited and prices strengthening. There can be little doubt that much wheat flour is now being substituted for rye, and will be substituted to an increasing extent during the balance of the season, especially in Germany and Central Europe. That the flour market, although quieter at the moment, is much improved as compared with January, is indicated by the reports of good export business being done by Belgian mills in surrounding markets and by the better tone of mill reports from the Danube Basin where milling capacity is excessive. Yugoslavia is now importing flour steadily, although as yet in moderate quantities, and Hungarian flour mills report a general improvement in business. Flour stocks generally are thought to have increased somewhat in recent weeks in Northwestern Europe, but they are not excessive.

Stocks of wheat in the hands of the Continental trade, as indicated by stock statistics and trade reports from different centers, have increased considerably during February and March as a result of the generally active buying, but are by no means excessive when consumptive requirements are taken into consideration. So far, this movement appears to be to a considerable extent a matter of bringing supplies of imported wheat up to a more normal

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a/ Report of March 26, 1928, supplemented by cable of April 2.

level. February 29 visible stocks of wheat and rye at Berlin, amounted to 1,330,000 bushels (converted at 58 pounds per bushel) as compared with 836,000 bushels on January 31, and are thought to have increased further in March. Hamburg port statistics indicate the probability of increased wheat supplies, but it appears that stocks of rye have declined since the first of the year, because of much reduced importation.

Reports from all Continental European countries indicate the steady and rapid disappearance of domestic grain. Farm stocks in Germany are still much higher than a year ago and the same situation is thought to exist in France, but in Germany, at least, such stocks will not play a dominant role in the market from now on. The probable existence of somewhat larger stocks than last year in France seems likely, however, to limit import requirements during the balance of the season. Reports from Central Europe indicate the practical exhaustion of domestic supplies in Austria, Czechoslovakia and Yugoslavia, and the existence of only small supplies in Rumania, Bulgaria and Hungary; the latter, however, being relatively better supplied than the other two countries. Supplies of rye in the Danube Basin seem to be down to a minimum. In Germany, relatively more rye is available, in fact, somewhat more than a year ago, but the supply is inadequate to fill requirements, especially with the prospect that imports during the balance of the season will be much below last year's.

Available figures on Continental imports of wheat during February indicate a decline as compared with the months immediately preceding, the fall reflecting, naturally, the smaller overseas shipments at the close of the year. March reports, however, again indicate increased arrivals and a large volume of sales, so that March trade figures will doubtless reveal an increased volume of importation. The large Continental requirements before the new crop and the prospects for continued heavy overseas shipments, especially when Canadian exportation from Eastern ports is resumed, point to extensive import activity from now on. Trade opinion indicates the probability that Austria and Czechoslovakia will be almost entirely dependent on imported wheat hereafter, and heavy Mediterranean buying until the new crop becomes available is also being forecast. As to Western and Northern Europe, there is some evidence that previous ideas of requirements during the balance of the season will have to be further raised, as imports in this region to date continue to hold well above last year's figures, and give promise of being well maintained.

The following are end of March estimates of the wheat and flour import requirements of the principal European countries, as compared with earlier estimates:

WHEAT, INCLUDING FLOUR: Net imports into European importing countries 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1			1927-28 estimate		Net imports reported		
	1924-25	1925-26	1926-27	Minimum	Maximum	Month	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain ..	216	188	217	205	220	July to Feb.	136	118
Italy	96	64	88	90	100	Feb.	50	45
Germany	71	56	93	86	100	Feb.	59	64
France	41	34	53	50	64	Jan.	20	42
Belgium	39	39	42	40	44	Jan.	22	25
Netherlands	26	27	28	29	31	Feb.	19	21
Czechoslovakia .	23	19	20	16	18	Feb.	13	13
Greece	22	a/(22)	a/(22)	(20)	(20)	b/		b/
Irish Free State	19	18	19	18	21	Jan.	11	9
Austria	16	15	17	15	16	c/	4	4
Switzerland.....	14	14	17	15	17	Feb.	12	14
Sweden	11	6	6	6	7	Feb.	6	6
Norway	5	6	6	5	6	Feb.	4	4
Denmark	6	6	7	7	8	Jan.	4	5
Finland	4	5	5	4	5	Jan.	3	3
Poland	14	d/ (2)	7	2	6	Jan.	d/e/	2
Total above countries	623	517	647	608	683		363	375

a/ Rough approximation. b/ Not available for 1927. c/ July-September imports only. d/ Net exports. e/ Less than 500,000 bushels.

The upward revision in the estimate of German import requirements is necessitated by the continued maintenance of importation at a level above last year's figures, and the evidence that takings during the balance of the season may approximate last year's. The probable large reduction in German rye imports during the balance of the season is also a factor. The failure of Italy to import more wheat during February makes it advisable to lower ideas as to takings for the season as a whole. Italy will have very heavy requirements before July, but it does not seem probable that importation will reach the high total which seemed possible a few months ago. March-June takings, however, should exceed those of the closing months of last year. France has been a heavy importer so far this season as compared with last year, but takings are now declining and may fall off to an even greater extent, depending upon supplies of millable grain within the country, about which accurate information is lacking. French imports from now on seem likely, in any event, to be smaller during the remaining months of the season than they were last year. Imports during February and March should be significant of the probable course of trade between now and the new crop.

The continued large volume of Belgian imports points to the probability of as large requirements before July 1 as in the corresponding period last year, even though imports to date exceed last year's figures by a good margin. Czechoslovakia is now reported an increasingly important buyer of overseas wheat, but there is as yet no reason to revise previous ideas of this year's takings. The indications of some increase in demand are offset by the recent upward revision in official estimates of the crop. Denmark seems likely to take more wheat and flour than previously expected, as imports during the first half of the year were about 50 per cent greater than last year. The Danish wheat crop suffered considerable quality damage. There is also more evidence to indicate that Poland will require foreign grain before the new harvest, as recent trade reports indicate that the Polish government has given permission to a number of flour mills for the importation of certain quantities of wheat, in spite of the fact that a general prohibition on wheat imports is still in effect.

Germany

German markets report continued good buying of overseas bread grains during most of March, transactions centering mainly in Plates and Manitobas. Inquiry has been quieter since the middle of March, but the volume of business moving is still large. Business in overseas rye, however, was limited by the small quantity available. The increasing tendency of wheat and rye prices, strengthened by the improved demand, resulted in some increase of domestic offerings of wheat, but the latter continue relatively moderate on the whole. Offerings of domestic rye have not responded noticeably to higher prices, a fact which further confirms the shortage developing in this grain. The situation is clearly shown by the fact that prices for rye at Berlin are now only 1.3 cents a bushel below wheat prices, as compared with 7.9 below a month ago. Rye is normally considerably lower than wheat.

Wheat and rye prices in Germany, 1928

Item	Feb. 1	Feb. 8	Feb.15	Feb.22	Feb.29	Mar. 7	Mar.21	Mar.28	Apr. 4
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Hamburg, wheat	143.3	141.7	143.6	147.2	148.5	150.1	159.5	158.8	160.1
Breslau, wheat	167.3	162.1	161.4	164.7	166.6	169.9	169.9	169.9	169.9
Berlin, wheat	146.8	146.2	147.5	150.7	162.4	156.6	160.5	159.2	159.2
Berlin, rye	138.9	139.2	140.4	143.4	142.8	148.5	156.7	156.1	157.9

The German wheat flour market was relatively active during the latter half of February and the first half of March, but recently reports some decrease in demand, a development, however, which seems to be of temporary nature. Rye flour continues to find an active inquiry, but supplies are limited and prices correspondingly high.

German imports of wheat are reported to have been at a greatly increased rate during March, following the drop in February to 6,560,000 bushels, the second smallest figure for a single month so far this season, but nevertheless above imports for February last year. Arrivals of foreign rye are reported as continuing to decline, as is also the case with port stocks. Imports in February were 1,244,000 bushels as compared with 1,278,000 bushels in January and 1,680,000 bushels in February last year. The movement of grain from seaport toward inland consumption centers, as indicated by data on water-borne traffic, is proceeding on a large scale, especially in the case of wheat. This doubtless explains the increase in Berlin visible stocks previously mentioned.

The German Agricultural Council Statistics on German farm stocks of grain on February 15 indicate only moderate marketings during the preceding month, a result, apparently, of the weakening tendency of market prices during most of the period, and also of the current high prices for feedstuffs, the latter tending to encourage feeding, especially of lower quality grain. Stocks of wheat available for sale on February 15 are calculated at about 39,000,000 bushels, and rye stocks at 34,000,000 bushels, as compared with about 17,000,000 bushels and 27,000,000 bushels respectively, a year previous.

The question of how much of this grain is millable, however, has an important bearing upon import requirements. A leading German grain paper has just estimated the millable stocks of wheat on farms on February 15, using the German Agricultural Council statistics of farm stocks and hectoliter weights (the latter published some time ago), at about two-thirds of the total available for sale. This would mean about 25,720,000 bushels or about 7 weeks' German consumptive requirements. In a similar way, rye stocks are estimated at 9-10 weeks' requirements. This calculation would indicate that German wheat import requirements between February 15 and July 1 will be about three months' consumption, or 44,000,000 to 47,800,000 bushels. Reduced rye imports would tend to increase this figure.

France

French grain market reports indicate brisk business during the last half of February and in March, although arrivals at the ports were declining during this period. Business was quieter the last of March, but purchases from Belgian markets are continuing and the trade is increasing its estimates of French import needs for the balance of the season. France has recently been reported an active buyer on the Belgian market.

The excessively wet weather experienced in France in January and February has given way to better conditions, and rapid progress with field work is reported. The amount of frost damage is still an uncertain factor.

Italy

Reports on various Italian markets up to March 20 indicate very active buying of overseas wheat. Offers of both near and forward positions afloat are said to have been plentiful during the period, but still demand was suf-

ficient to maintain prices. A slightly quieter tendency has existed since the middle of the month, as in other Continental markets, but trading is still good.

Belgium

Belgian market reports indicate a very active and generally satisfactory month in the grain trade, states Mr. Steere. Arrivals have moved steadily into consumptive channels and the outlook is improved. Flour mill stocks of grain are reported low, flour export and domestic sales developing well, and port stocks of grain very moderate. Belgian takings at the end of the month were comparatively active, with good turnover.

Danube Basin

Grain markets in the Danube Basin have shown themselves keenly sensitive to developmentin the western European centers during March. Business there also was quieter at the end of the month, but the volume of purchases was still good. Austria and Czechoslovakia, the two deficit countries, became very active buyers of foreign grain during the first half of the month, flour mills sharing in the revival of demand experienced all over the Continent. Inquiry has since become quieter, but numerous reports indicate that both countries will have to depend largely on imported grain from now on.

The surplus countries have felt the stimulus of higher prices and improved demand for grain, but only in Hungary has any volume of business developed, Rumanian and Bulgarian transactions being limited by small supplies at the ports and high prices asked by domestic holders. Port stocks in these countries are now reported very low and arrivals are running small. Hungary reports sales for export to Italy and Yugoslavia as well as Austria and Czechoslovakia. Hungarian flour mills have likewise experienced improved business.

Yugoslav reports now indicate the practical exhaustion of farm stocks of grain. The government is reported to have been buying domestic grain locally for supplying deficit districts, and at the same time some wheat importation has set in, principally in regions adjacent to Hungary. Foreign flour is also imported, some from the United States, although takings are as yet only moderate.

Poland

Reports from Poland indicate brisk business and rising prices of grain and flour during March. Domestic offers are said to have been restricted greatly during the month as a result of anxiety about frost damage to winter cereals. Possibly because of these developments, or of the need for mixing purposes, it has been reported recently that the government has given a number of mills permission to import a certain amount of grain, although the general prohibition has not been raised.

Wheat Balances, Season July 1 to June 30

	1926-27 1,000 bushels	1927-28 1,000 bushels
Germany		
Production	95,429	120,522
Net imports:		
July-February	58,525	63,849
March-June	34,888	(22,500 - 37,000)
Apparent utilization	188,842	207,000 - 221,000
France		
Production	231,767	284,356
Net imports:		
July-January	20,286	42,075
February-June	36,629	(7,700 - 22,400)
Apparent utilization	288,682	334,000 - 349,000
Italy		
Production	220,642	195,808
Net imports:		
July-February	50,291	44,937
March-June	37,802	(45,100 - 56,100)
Apparent utilization	308,735	286,000 - 297,000
Czechoslovakia		
Production	34,130	40,385
Net imports:		
July-February	13,278	12,823
March-June	6,230	(3,400 - 5,450)
Apparent utilization	53,638	57,000 - 59,000
Belgium		
Production	12,801	14,449
Net imports:		
July-January	21,557	25,000
February-June	20,541	(14,500 - 19,100)
Apparent utilization	54,899	54,000 - 59,000
Holland		
Production	5,487	5,096
Net imports:		
July-February	19,000	20,995
March-June	9,788	(8,400 - 10,200)
Apparent utilization	34,275	34,000 - 36,000
Poland		
Production	47,080	54,229
Net imports:		
July-January	54	2,456
February-June	7,224	(280 - 3,000)
Apparent utilization	54,358	57,000 - 60,000
Denmark		
Production	8,767	9,553
Net imports:		
July-January	3,619	5,559
February-June	4,005	(2,000 - 3,000)
Apparent utilization	16,391	17,000 - 18,000

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April 25, 1928

FOREIGN NEWS ON WHEAT

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CANADIAN EXPORT SURPLUS

The Canadian wheat exportable surplus is less than early reports on visible supply indicated. Losses in cleaning and unmerchantable grain are reducing the volume available for export. The increase of wheat in farmers' hands probably represents more lower quality wheat this year than last which may not move from the farms. The continued cold weather, which precludes an early opening of navigation on the Great Lakes this year, may tend to cut down the amount of wheat to be shipped out between now and June 30. According to last reports navigation was not expected to start soon in Lake Superior, whereas last year navigation opened at Fort William-Port Arthur on April 14.

Canadian exportable surplus for the four months April to July is estimated by the Canadian Bureau of Statistics at 90,566,000 bushels to 115,546,000 compared with a similar estimate of 92,302,000 bushels last year, allowing a carryover of about 50,000,000 bushels compared with 47,839,000 last year, according to a report received by the Foreign Service of the Bureau of Agricultural Economics. The 90,566,000 bushel surplus is based on production and carryover less consumption and stocks while the 115,546,000 is on the basis of estimated stocks on March 31. The Bureau of Statistics appears to accept the latter figure as the more probable and to consider the latest production figure as underestimated. The visible supply on March 31 as previously reported was 35,000,000 bushels greater than last year, which led to the expectation of a greater increase in surplus than the 23,244,000 bushels indicated above.

Total stocks on March 31 are reported by the Canadian Bureau at 219,546,000 bushels, an increase of 45,164,000 over stocks at the same time last year. However, farm stocks are reported at 64,654,000 bushels, an increase of 13,699,000 bushels over farm stocks a year ago, whereas earlier indications obtained by subtracting platform loadings and receipts at country elevators from total estimated production had indicated a smaller balance on farms than last year. Losses in cleaning and unmerchantable grain are also reported as approximately 10,000,000 bushels greater than last year.

Last year the exports from April 1 to August 1 did not equal the exportable surplus, amounting to only 82,683,000 bushels. The decreased exports and other factors increased the carryover from the expected 30,000,000 bushels to 47,839,000. In the past five years the Canadian exports from April 1 through June 30, the end of the United States wheat year, have ranged from 31 to 42 per cent of the total stocks on March 31, a smaller percentage of the supply being exported in years when stocks were low than in years when stocks were heavy. This range would indicate an export of 68,000,000 to 93,000,000 bushels in these three months this year compared with an export of 74,042,000 for that period last year. Considering that stocks are large this year, however, the exports will probably be near the upper margin or above it.

ARGENTINE EXPORTABLE SURPLUS REDUCED

The official estimate of Argentine exportable surplus of wheat on April 12 is 79,733,000 bushels, which is 30,064,000 bushels less than the corresponding estimate for last year. This is very close to the indicated surplus based on production and carryover less estimated domestic consumption and exports to April 12 which amounted to 83,000,000 bushels. Domestic consumption for 1925-26 and 1926-27 had been officially estimated at 77,000,000 bushels and the same figure was probably used in estimating this year's surplus. The third estimate of wheat production, 239,162,000 bushels, is only 330,000 bushels above the second estimate. Last year's crop was 220,827,000 bushels.

IMPROVED EUROPEAN DEMAND

In Europe there is an expectation in trade circles of continued heavy import requirements for the remainder of the season in France, Belgium and the Netherlands, according to a cable to the Foreign Service from Acting Agricultural Commissioner L. V. Steere on his return from a trip to those countries. Continental grain markets during the week ending April 17 were rather active everywhere after the slowing up of the previous week, according to Mr. Steere. Flour business in Germany improved and prices were firm to April 17 but declined on the 18th partly as a result of increased domestic offers. Wheat prices at Hamburg were quoted at $1.65 per bushel on April 18 against $1.62 on April 11. Rye prices at Berlin were quoted at $1.74 per bushel against $1.61 per bushel on April 11. Poland was an active buyer on the German rye market. Poland has prolonged the export duty on rye and rye flour to September 30. Both the total farm stocks of German wheat and rye and farm stocks still available for sale as estimated by the German Agricultural Council were greater on March 15 than at that time in 1927. The increase in stocks is probably accounted for by the poor quality of the 1927 crop.

European reports of new crop conditions are further stimulating the market for this year's grain. In France the amount of winter killing is estimated by the trade at 15 per cent of the area, of which only about half is being resown to wheat. This would indicate about 10,780,000 acres remaining for harvest compared with 12,994,000 acres harvested last year. The condition of the crop is also unofficially reported as below normal, whereas last year the condition was satisfactory in spite of some excessive rains. In Belgium and Holland there has been less winter damage and the condition is said to be not far from normal, although growth is delayed by cold weather. European grain crops have probably suffered further injury from the unusually cold weather accompanied by night frosts, snow and heavy rains which extended over Europe during the week ending April 19, according to Mr. Steere. Concern is felt for the crops in Poland which already had suffered from too much moisture. Considerable winter killing of grain is reported from Rumania. The late spring in Russia has been unfavorable to the winter crops and to the spring work. In North Caucasus spring has been delayed from 15 to 18 days. In the Steppes region there has been considerable winter killing and immediate aid is needed for resowing. During the week ending April 19 there were a few days of warm weather in the southern section but in the north there were heavy frosts and snow. Blizzards in the Kief region extended into Poland.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to May 14, 1928)

Winter wheat area and condition reports received to date indicate that the prospects for the winter wheat crop of the Northern Hemisphere in 1928 are not quite so good as they were at this time last year. While it is too early to make an estimate of the spring wheat prospects, it may be noted that conditions appear to be favorable for increasing the area in Canada. It is estimated that the area prepared last fall for spring seeding was larger than for the 1927 crop. Spring seeding began earlier and better progress has been made than for the 1927 crop.

The world's supply of wheat outside of Russia for the remainder of this season appears to be about the same as last year and the demand for it somewhat greater than last year. Canada, owing to the late harvest and the early closing and late opening of navigation on the Great Lakes, has on hand a considerably larger supply of wheat than she had at this time last year. The visible supply on May 4 amounted to 102 million bushels as compared with 55 last year. This extra supply, however, is largely if not entirely offset by smaller supplies in Argentina, Australia, the Balkan countries and Russia. There is also an increase in the visible supply in the United States. This increase, however, is not indicative of an increase in the total supply, as in some parts of the United States the supplies of old wheat have been reduced to a minimum and the scarcity of wheat in these sections is not reflected in the visible supply figures. Judging from all available statistics as to the supplies on hand March 1, 1928, and the distribution of wheat from that time to date, it seems probable that the total supply of wheat in the United States is very little, if any, larger than at this time last year. There is no evidence of an accumulation of wheat supplies in importing countries. Supplies of foreign and domestic wheat in some European markets may be slightly larger than at this time last year, but in others they are smaller. At the present time it is probable that the importing countries are no better supplied than they were in the middle of May last year.

Exports from surplus countries and imports of importing countries for the remainder of the season will depend to some extent upon crop developments and the dates of harvest. It is apparent that Canada must furnish the bulk of the exports from now until harvest. Argentina and Australia will continue to ship some wheat but can not ship so much as last year without using up their supplies. The prospects for a short winter wheat crop and relatively high prices will tend to discourage export shipments from the United States. It is apparent that hard red winter and spring wheats will have to be used to some extent to make up for the scarcity of soft red winter. Exports from the United States during the remainder of this season, therefore, may be little, if any, larger than in the corresponding period of last year.

It now seems probable that the world's carryover of old wheat on July 1, 1928 will be but little, if any, larger than on July 1, 1927. Available data as to distribution of supplies at the present time suggest that Canada will have on July 1, 1928 a larger carryover than at the beginning of the season. Canada has on hand a larger supply which probably will not be moved in the next six weeks. The carryover of hard red spring and durum wheats in the United States may be somewhat larger than last year, but the increase in carryover in Canada and the United States will probably be offset by reductions in available supplies elsewhere.

Prospects for the 1928 Crop

The latest reports of acreage and condition of the wheat crop in the Northern Hemisphere indicate that the 1928 production from fall-sown wheat may be less than last year. May 1 conditions in the United States indicate a crop of about 486 million bushels as compared with 552 millions harvested last year. In the past five years, the estimate based on May 1 conditions has varied from 12 per cent below to 11 per cent above the final outturn of the crop. In the past ten years, the May 1 estimate has averaged about 1.2 per cent below the final outturn of the crop. On the basis of past experience, it seems therefore that while the final outturn of the crop may vary somewhat from the May estimate even with good conditions for the remainder of the season, it is not likely to equal last year's crop; and should conditions for the remainder of the season be unfavorable, the crop might be the smallest in many years.

Latest reports as to conditions of winter-sown grain in foreign countries also indicate smaller crops. The May 1 condition of the Canadian winter wheat crop indicated only 88 per cent of average yield, which would result in a crop smaller than last year even on the increased acreage. European crops, outside of Russia, also appear to be in a poorer condition than at this time last year, and the acreage to be harvested is probably no larger and may be smaller than last year. Poor conditions are reported in France, Germany and Poland. Abandonment in Germany has been greater than last year and reports from France indicate a high percentage of abandonment. The crop in Italy, on the other hand, seems to be better than last year. We have no recent information as to the condition of the crop in Spain, but early reports indicated favorable condition. We have scant information as to conditions in the Balkans, but some winter killing has been reported and from the available information it appears that the Balkan crops are at the best no better than last year. It appears, therefore, that the harvest from winter-sown grain in Europe outside of Russia is not likely to be so large as last year, unless conditions are very favorable for the remainder of the season.

The North African crop is soon to be harvested. The area has been increased and conditions so far as reported have been favorable, so that a crop as large as last year is expected. The first estimate of production in India is 331 million bushels, a decrease of 3 millions from last year's final estimate, but a little larger than the first estimate of last year's crop.

Canada has prepared for a larger spring wheat acreage. The total ground prepared last fall for spring grain crops is 16 million acres compared with 15 million acres last year. Increased areas prepared for crops are not necessarily followed by increased wheat acreage. This year, however, seeding conditions have been more favorable than last and wheat seeding on May 1 this year in the Prairie Provinces was further advanced than last year. In Manitoba 31 per cent had been seeded this year compared with 4 per cent last year and 68 per cent in 1926; In Saskatchewan 8 per cent compared with 2 per cent last year and 45 per cent in 1926. Alberta had only 6 per cent seeded this year as against 10 per cent last year and 34 per cent the year before. The amount of summer fallow is reported as larger than last year in each of the Prairie Provinces, which favors good yields in those areas. Statistics on areas prepared for spring crops and dates when spring seeding became general are shown on page 16.

Seeding is beginning in the Southern Hemisphere. In the Northern wheat zone of Argentina the rainfall has been less than usual, but in the southern zone has been about normal. According to latest reports, Australia has favorable conditions for seeding operations. Acreages of winter wheat sown or for harvest in various countries are shown on page 17.

Exports and Imports

The net exports of principal exporting countries since July 1, 1927 as reported to date amount to 661 million bushels, 20 millions below exports in the same period last year. This figure does not include Canadian exports in April which were probably less than last year on account of the Lakes remaining closed through the month. See table, page 17. Argentina has shipped heavily in recent months, making up for smaller shipments from Australia, Russia and the Balkan countries. The increased shipments from Argentina make it necessary for us to revise upward her exports for the season July 1, 1927 to June 30, 1928. Shipments to date from the United States indicate that exports for the entire season may be little if any larger than last year. We have accordingly reduced our estimate of probable maximum of exports from 230 to 210 million bushels. The Russian surplus has been exhausted. The Danubian supply is practically exhausted. India, which is just harvesting a new crop, may export a small amount of new wheat between now and the end of the season.

Imports of European importing countries since July 1 as far as reported to date amount to 441 million bushels, an increase of 8 million over imports for the corresponding periods last year. European import requirements for the balance of the year are expected to be at least as heavy as for the same periods last year. The port stocks and afloat for the United Kingdom at the end of April were slightly below last year. In western and northwestern continental Europe immediate needs are supplied. In Italy and central Europe, including Poland, Czechoslovakia and Austria, on the other hand, stocks appear to be low, and trade has been stimulated by present needs. A more detailed report on the European situation is given beginning page 8.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27, and estimates for 1927-28 as indicated by production and carryover estimates

Country	Year beginning July 1					Net exports reported		
				1927-28 estimate		July to and including	1926-27	1927-28
	1924-25	1925-26	1926-27	Minimum	Maximum			
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States	255	92	206	190	210	May 5	a/ 185	a/ 177
Canada	194	320	305	305	330	March	231	b/ 235
Russia	1	27	49	6	7	May 5	33	6
British India	45	7	9	9	12	May 5	7	9
Rumania	4	8	11	5	10	Jan.	7	4
Bulgaria	c/	6	2	2	6	Oct.	1	1
Hungary	15	19	21	16	18	Jan.	18	16
Yugoslavia	10	12	10	1	2	Dec.	8	1
Algeria	c/	5	d/	3	5	Jan.	2	1
Total above N. Hem. countries	524	496	613	537	600		492	450
Argentina	127	100	140	160	175	May 5	111	156
Australia	124	77	87	60	70	May 5	78	55
Chile	9	2	d/	0	10	Nov.	d/	d/
Total above S. Hem. countries	260	178	227	220	255		189	211
Grand total	784	674	840	757	855		681	661
More probable estimates				780	830			

a/ Exports through May 5 less imports through March.
b/ Exports through March less imports through December.
c/ Net imports.
d/ Less than 500,000 bushels.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1			1927-28 estimate		Net imports reported		
	1924-25	1925-26	1926-27	Minimum	Maximum	Month	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain	216	188	217	200	220	July-March	156	142
Italy	96	64	87	85	95	April	73	65
Germany	71	56	94	90	100	March	64	70
France	41	34	53	55	65	March	35	47
Belgium	39	39	42	42	46	Feb.	25	28
Netherlands	26	27	28	29	31	Feb.	19	21
Czechoslovakia	23	19	21	18	22	March	15	16
Greece	22	a/(22)	a/(22)	(20)	(20)	b/		b/
Irish Free State	19	18	19	18	21	Feb.	12	11
Austria	16	15	17	15	17	c/	4	4
Switzerland	14	14	17	15	17	March	14	15
Sweden	11	6	6	6	7	March	4	7
Norway	5	6	6	5	6	Feb.	4	4
Denmark	6	6	7	7	8	Feb.	4	6
Finland	4	5	5	4	5	Feb.	4	3
Poland	14	d/ (2)	7	5	10	Jan.	d/e/	2
Total above countries	623	517	648	614	690		433	441

a/ Rough approximation. b/ Not available for 1927. c/ July-September imports only. d/ Net exports. e/ Less than 500,000 bushels.

United States Wheat Prices

April was a month of rapidly rising wheat prices in the United States with all classes contributing. This advance in prices can be attributed largely to adverse weather conditions in the winter wheat belt and indications of a very heavy abandonment of winter wheat coupled with a good European demand for imported wheat.

As measured by the weighted average price of all classes and grades of wheat at the six principal markets, the price advanced 25 cents per bushel from the week ending March 30 to $1.62, the week ending May 4 which is 22 cents above last year's price and 4 cents above the price of 2 years ago. Thirteen cents of this rise occurred during the week ending April 20. The average price for the month was $1.51 as compared with $1.37 in March and $1.35 a year ago. Of the various classes of wheat, the price of No. 2 soft red winter at St. Louis

during April was the most outstanding. This grade of wheat has been advancing steadily since the middle of February and during April the price advanced 50 cents per bushel from the week ending March 30 to $2.20 the week ending May 4 as compared with $1.37 a year ago. Supplies of this class of wheat are nearly exhausted and the coming crop promises to be even shorter than the short crop of last year. No. 2 hard winter at Kansas City advanced 3 cents to $1.44 per bushel during the first half of the month then climbed rapidly to $1.56 the third week and to $1.69 the week ending May 4. No. 1 dark northern spring at Minneapolis advanced only moderately in price the first half of the month but by May 4 the weekly price had risen 27 cents to $1.74 per bushel. The price of No. 2 amber durum at Minneapolis remained unchanged at $1.35 per bushel during the first week of April then advanced to $1.40 during the second week, $1.46 the third week, declined to $1.41 during the week ending April 27, then advanced to $1.48 the following week.

Future closing prices of wheat reached new high levels during the month of April. The market is very sensitive to crop and weather reports at this season of the year so with the outlook somewhat unfavorable for the winter wheat crop the future market was somewhat erratic especially during the latter part of the month.

On April 5, May futures at Chicago closed at 143 cents per bushel, 149 cents on April 12, 158 cents April 19, and 160 cents April 26 but dropped to 157 cents on May 3 and 152 cents on May 10 as compared with 142 cents a year ago. During the latter part of the month, the rapid rise in futures prices at Chicago compared with only a moderate advance at Liverpool placed the Chicago May close approximately the same as the Liverpool May close and for a few days as much as nine cents above. Chicago futures are usually 18 or 20 cents under Liverpool. On April 15, Liverpool May futures closed at 153 cents. By April 19 the closing price had advanced to 161 cents then dropped to 159 cents by May 10 as compared with 158 cents a year ago. Kansas City and Minneapolis May futures followed closely the action of Chicago futures while Winnipeg showed reactions similar to the Liverpool futures.

WHEAT: Closing prices of May futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
April 5	135	143	127	134	133	136	141	145	151	153	128	135
12	133	149	126	140	133	142	139	150	151	157	127	137
19	135	158	128	150	135	150	143	154	153	161	128	141
26	135	160	129	152	134	151	144	152	154	160	129	141
May 3	142	157	133	152	139	152	153	152	161	160	---	142
10	142	152	135	150	139	178	152	151	158	159	---	142

a/ Prices are as of day previous to date of other market prices.

WHEAT: Weighted average cash prices at stated markets

Months and weeks	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.N. spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	142	139	137	136	175	158	154	153	142	141
August	135	136	131	135	156	150	153	140	134	142
September	136	129	132	131	148	137	138	128	136	142
October	139	125	139	128	153	134	150	123	140	145
November	138	126	137	131	148	134	161	128	136	141
December	139	128	138	132	148	137	174	132	137	144
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
January	147	131	137	133	147	143	168	130	138	151
February	136	132	135	133	146	142	160	129	135	156
March	134	137	133	138	143	147	157	133	130	169
April	135	151	131	152	141	163	154	141	129	196
May	145		142		153		158		142	
April 6	133	140	131	143	140	151	155	135	129	181
13	133	143	130	144	139	152	152	140	127	186
20	136	156	130	156	142	167	154	146	128	199
27	137	158	132	165	144	171	149	141	132	212
May 4	140	162	136	169	149	174	159	148	137	220
11	144	156	141	164	152	168	161	144	141	204
18	144		139		153		154		139	

Millings and mill stocks in the United States

In recent months millings have been greater than in corresponding months a year ago. During the last three months January-March, the amount of wheat ground was nine per cent larger than during the same period a year ago. During the first nine months of the crop year, mills ground approximately one per cent more wheat than during the same period a year ago. Three months ago the amount of wheat ground was three per cent less than the year before. Stocks of wheat held by mills at the end of the period were slightly larger than a year ago. The total amount of wheat ground in merchant mills in the nine months July-March is estimated on the basis of the report of the Bureau of the Census, Department of Commerce, as 431 million bushels as compared with 427 million last year.

Based on figures from the quarterly report of the Department of Commerce raised to 100 per cent, total wheat stocks held by mills were only slightly larger on March 31 than a year ago, and approximately 35 million bushels less than on December 31. Flour stocks held by mills were slightly larger than last year also. Of the total amount of wheat stocks held by mills, 82.7 per cent was in private terminal elevators, in transit and in mills and mill elevators attached to mills; 10.9 per cent in public terminal elevators; and 6.4 per cent in country elevators.

The report of the Millers' National Federation issued April 30, on stocks of wheat and flour as of March 31, 1928 indicates that the amount of flour sold during the three months' period ending March 31, 1928 was somewhat greater than last year but that unfilled flour orders were considerably less than last year. The Millers' Federation report uses, as a basis of an index of stocks and unfilled orders, a 24-hour day capacity of grindings or output. Using this basis, the stocks of wheat March 31, 1928 were slightly less than last year or sufficient for 33 days as compared with 36 days last year and unfilled orders for 35 days against 40 days last year. Mills operated at 63.8 per cent capacity for the three months ending March 31 as compared with 58.8 per cent last year and mills sold 46.7 per cent of the capacity for the period as against 42.5 per cent last year.

The Continental European Wheat Situation a/

Continental wheat markets were rather quiet during the latter part of March and the first week of April, but following Easter, with the appearance of unfavorable reports on the condition of winter seedings both in America and Europe, which greatly strengthened prices, there was a marked revival of activity everywhere through the rest of the month, according to Agricultural Commissioner L. V. Steere at Berlin. Business fell off slightly the first week in May. To a certain extent the renewal of interest seems to have been induced by the rise of prices, as in Western and Northwestern Europe, at least, wheat stocks were built up by the active buying during February and March, and these countries do not seem to have large immediate needs. In Italy and in Central Europe, including Poland, Czechoslovakia and Austria, however, buying undoubtedly has been stimulated during the month also by actual current requirements. Trade reports are unanimous in the opinion that Italian requirements from now on will be very large, and developments of the past two months indicate that ideas of import requirements in Central Europe will probably have to be raised, possibly to a considerable extent. As Poland raised its wheat import prohibition on April 30, it appears that stocks are approaching exhaustion in Poland as well as in Czechoslovakia and Austria. It is also becoming more evident that the surplus countries in the Danube Basin will have very little grain for export hereafter. Central Europe has been an active buyer of both wheat and rye in German markets during the past two weeks.

The flour markets have been lacking in uniformity during most of the month. In general, however, there was some improvement in demand following Easter, but since that time a quieter tendency, with only occasional days of activity. German and Central European mills, including plants in the Danube Basin, appear to have had less satisfactory business than has been the case with Belgian and Dutch establishments. Rye flour has found somewhat better inquiry than wheat flour during most of the month, but there is much complaint at present price levels of rye flour and it is probable that the future will see increased substitution of wheat flour for rye.

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a/ Report of April 26, supplemented by cables of May 7 and May 10.

Stocks of overseas wheat in the hands of the Continental trade, except possibly in Italy and parts of Central Europe, appear to have further increased to a small extent during April, but are by no means excessive. Rye stocks, on the other hand, are continually reported smaller. Trade reports and other indications point to the rapid exhaustion of domestic grain stocks throughout most of Central and Eastern Europe, including the Danube Basin. Central Europe seems to be turning to overseas supplies even a little earlier than last year. This region has been especially interested in rye during recent weeks, but is expected, in view of the present height of rye prices, to turn more toward wheat during the balance of the season.

Germany

German grain markets report very active business since the Easter holidays, and Germany will probably continue to have large import requirements during the balance of the season. It seems apparent from April figures on grain stocks and movements in Germany, however, that there was some slowing up in the movement of grain into consumptive channels during the month, and that current supplies from overseas are adequate for present requirements, in fact, have recently been tending to increase. Berlin visible supplies of wheat increased steadily during February and March, a development probably true of other centers and one that appears to have caused lighter inland shipments from the ports during April, which in turn caused an increasing tendency in grain stocks at the ports during the month. These tendencies have not been so pronounced as to change the outlook for future requirements, but do seem to indicate that German consumptive channels are well filled for the time being. The active buying reported since Easter does not appear to reflect immediate consumptive needs, but rather the influence of rapidly rising world prices, a rise due almost entirely to unfavorable crop reports both from America and Europe.

A considerable share of the activity reported in German markets during April is to be attributed to buying by foreign countries, notably Poland and Czechoslovakia. Both countries have been heavy buyers of Western and German domestic rye, as well as of overseas wheat. Trade reports state that both countries will continue to be large buyers during the balance of the season, and most of this trading will probably be done through Hamburg, although both countries will doubtless also draw upon Eastern Germany and upon Hungary.

German wheat prices in Eastern producing districts, as well as at the ports and at consuming centers, have kept closely in line with the steadily rising world prices during April. Rye prices have advanced with equal rapidity, and at times during the month went above the quotations for wheat, the very active buying from Poland being reported the main factor in the sharp advance. Polish inquiry for wheat following the announcement that the Polish Import prohibition of wheat would be abolished on April 30, also lent additional strength to the wheat market, not only in Germany but also at the Channel ports, which have attached considerable importance to the development.

WHEAT AND RYE: Prices per bushel in Germany

Date	Wheat			Rye
	Hamburg	Breslau	Berlin	Berlin
	Cents	Cents	Cents	Cents
March 21	160.8	169.9	160.5	156.7
28	158.8	169.9	159.2	156.1
April 4	160.1	169.9	162.4	157.9
11	162.1	171.8	165.7	160.9
18	165.3	178.9	172.8	174.6
25	171.8	185.4	177.3	173.7
May 2	176.3	188.0	172.1	170.0
9	175.0			172.0

The rye market continues very abnormal and offers possibilities of further interesting developments. Germany is confronted not only with a shortage in the domestic market, but is being steadily drawn upon by neighboring countries, where supplies seem to be even shorter. Silesian millers are complaining bitterly at the rapid withdrawal of local rye for Polish and Czechoslovakian consumption, which has had the effect of rapidly boosting prices in this region. Efforts have been made by the mills to secure the suspension of the Einfuhrschein system, but this has been refused by the Government.

German imports of wheat (flour not included) have continued large during April, but do not seem to have exceeded imports during March, which amounted to 7,613,000 bushels as compared with 6,562,000 bushels in February and 5,792,000 bushels in March last year. Wheat imports in April of last year were 8,442,000 bushels. Rye imports during March amounted to 1,298,000 bushels as compared with 1,244,000 bushels in February and 1,491,000 bushels in March last year. Imports of rye during the balance of the season, however, will probably be considerably smaller than last year's very large takings.

The development of German exports of wheat and rye since the first of the year is also very interesting, especially in the light of German import requirements of these grains during the balance of the season. Rye exports January to March, inclusive, have totaled 2,716,000 bushels as compared with 628,000 bushels last year, and wheat exports 1,360,000 bushels as compared with 1,144,000 bushels for the same period a year ago. The wheat exports, which have gone mainly to Czechoslovakia and England, can probably be explained as partially feed grain. In the case of rye, which has been going principally to Poland and Czechoslovakia, the situation is different, these countries having drawn this grain over a tariff wall because of a domestic shortage. It is possible that Germany even had a net export of rye during March, if exports of flour are considered. It is also probable, with the raising of the Polish

prohibition on wheat imports in April, that considerable German wheat will move over the Polish border thereafter.

The latest available statistics on German farm stocks of grain are those of April 15, which continue to indicate a normally steady movement of grain from the farms. Winter wheat stocks available for sale on April 15 this year amounted to 16,400,000 bushels as compared with 7,300,000 bushels last year, and rye stocks to 15,900,000 bushels as compared with 12,400,000 bushels a year ago. In both cases, however, as previously reported, these figures are known to include considerable grain probably not of a millable quality. The recent increase in grain prices is reported to have brought out larger domestic deliveries of both wheat and rye, but these have not been of much influence on the market.

The condition of the winter wheat crop in Germany improved during the month of April and on May 1 was 94 per cent of the 1918-1927 average, according to a cable from the International Institute of Agriculture. On April 1, 1928, the condition was 88 per cent and on May 1, 1927 was 106 per cent of average. The winter wheat area abandoned is estimated at 2.8 per cent of the area sown. Statistics of sown area are not yet available. In 1927 winter killing of wheat varied from 0.4 per cent in Bradenburg to 2.4 per cent in Silesia.

France

April reports from France indicate a comparatively active trade in wheat during most of the month, although farmers' marketing has been limited by pressure of spring field work. Price developments have reflected world market developments.

Recent reportsindicate general improvement in seed conditions in spite of some cold weather, but crops are still not in good shape in central and parts of northern France.

Italy

Italian markets report a very active business in wheat since Easter, following the issuance of the American crop report. Interest has centered chiefly in Australian, but purchases of Argentine and Manitobas were also large. Winter seedings are reported in good shape in Italy and spring planting is being finished.

Belgium and Holland

Both Belgium and Holland report active buying of wheat following Easter, but it is also indicated, especially in Holland, that stocks have shown a tendency to increase at the ports, and that buying has been chiefly by grain merchants. This development seems to square with indications in Germany that the flow of grain has been backing up to a certain extent in recent weeks.

Danube Basin

Reports from the surplus countries in the Danube Basin state that grain stocks are dwindling rapidly and that supplies available for export are now very low. In Rumania it is said that farmers will probably require for their own use most of the remaining stocks, and supplies in the hands of dealers are small. Hungary also has only limited supplies left for export, as indicated by the fact that stocks of wheat and rye in public and cooperative elevators on April 14, amounted to only 566,000 bushels and 84,000 bushels, respectively, as compared with 954,000 bushels and 161,000 bushels on March 17. Prices of both wheat and rye in the Danube Basin are up to or above a parity with world prices.

Poland

Prices of both wheat and rye have increased rapidly in Poland during April and the grain situation seems to have become serious, according to all reports from that country. Farm deliveries of wheat have been reported even insufficient to cover current needs. The small deliveries are said to be due partly to occupation with field work, the bad condition of winter seedings and the necessity of resowing large areas, but also to the fact that last year's crop was probably over estimated. This is said to be especially true of rye. The Polish Government, accordingly, is reported to have taken off the import prohibition on wheat as of April 30 and Poland is expected to be a relatively large importer of wheat in the next few months. Poland has become a very active buyer in German markets in the past six weeks, under an import contingent system set up to supply certain mills while the import prohibition remained generally effective, and since the announcement of the raising of the prohibition on May 1, buying has further increased.

Wheat Balances, Season July 1 to June 30

	1926-27 1,000 bushels	1927-28 1,000 bushels
Germany		
Production	95,429	120,522
Net imports:		
July-February	58,596	63,649
March	5,648	6,831
April-June	29,481	(20,000 - 30,000)
Apparent utilization	189,154	(211,000 - 221,000)
France		
Production	251,767	284,356
Net imports:		
July-February	28,035	44,838
March	7,194	2,105
April-June	17,723	(8,000 - 18,000)
Apparent utilization	284,719	(339,000 - 349,000)
Italy		
Production	220,642	195,808
Net imports:		
July-March	60,971	53,906
April	12,507	10,950
May-June	13,676	(20,000 - 30,000)
Apparent utilization	307,796	(281,000 - 291,000)
Czechoslovakia		
Production	34,130	40,385
Net imports:		
July-February	13,631	13,778
March	1,510	2,058
April-June	5,851	(3,000 - 5,000)
Apparent utilization	55,122	(59,000 - 61,000)
Belgium		
Production	12,801	14,449
Net imports:		
July-January	21,557	25,047
February	3,671	2,949
March-June	16,870	(14,000 - 18,000)
Apparent utilization	54,899	(56,000 - 60,000)

Durum wheat situation

The heavy increase in United States durum production in 1927 now appears to have been largely offset by increased consumption within the country, either mixed with other wheat, or used in the manufacture of macaroni, breakfast foods and for similar uses, and for increased seeding. United States exports of durum wheat from July through March as far as indicated by inspections for export from United States ports and Canadian inspections of United States wheat, amounted to 17,946,000 bushels, a decrease of 855,000 bushels from indicated exports for the same period last year. Durum prices at Minneapolis have been rising since the middle of February until, for the three weeks ending May 4, No. 2 Amber durum was only about 10 cents below last year, whereas in December, January and the first of February it was averaging about 40 cents below.

Canadian inspections in the western grain division, which are all Canadian grain, amounted to 14,261,000 bushels by the end of April, an increase of 1,465,000 bushels over inspections the preceding year for that period. Canadian durum continues to grade much higher than last year, 41.8 per cent of the grain inspected being included in the first three grades compared with 12.6 last year. Last year was a poor year, however; for the three years before that the first three grades included an average of 62 per cent of the total. Much of the Canadian increase in crop appears to have gone to Italy, which country had a smaller durum crop this year than last. In Algeria following the large durum crop of 1927, exports from July 1 through December, the latest period reported, were 2,345,000 bushels, an increase of 648,000 bushels over exports for that period the preceding year. Algerian exports are probably all taken by France.

Early prospects for the 1928 durum crop in important countries favor increased production, although it is too early for any definite indication. Reports of United States farmers' intentions to plant point to an increased durum acreage this spring and seeding conditions were good in the northwest. Seeding reports in Canada are also favorable. In North Africa, the acreage of all wheat, which is mostly durum, is 7,389,000 acres which is 4.7 per cent greater than a year ago. Conditions of the growing crop appear to be favorable. Last year early conditions had not been so favorable as this year, but they improved later in the season, resulting in high yields. Weather in late April, May and early June is important in North African production, particularly with respect to dry hot winds which sometimes do much damage. Italy, which imports United States and Canadian durum to supplement her domestic supply, has an acreage probably about equal to last year and has had better growing conditions this year than last with the probability of a larger crop.

DURUM WHEAT: Inspection in United States and Canada, years beginning July 1, 1925-26, 1926-27; months reported 1927-28 and earlier years

Country and movement	Year beginning July 1		Months	Amounts reported for		
	1925-26	1926-27		1925-26	1926-27	1927-28
EXPORTING COUNTRIES	1,000 bushels	1,000 bushels		1,000 bushels	1,000 bushels	1,000 bushels
United States-						
Inspections in U.S. a/	4,170	611	July-Mar.	2,609	567	2,982
Inspections in Canada, Eastern Division...	22,802	19,108	July-Mar.	14,668	18,234	14,964
Total U. S. wheat ...	26,972	19,719		17,277	18,801	17,946
Canada-						
Insp. in West.Div. b/	7,512	13,047	July-Apr.	7,201	12,796	14,261

Taken from official sources of the reporting countries.
a/ Does not include durum in wheat classified as mixed.
b/ Includes a small amount of mixed wheat.

DURUM WHEAT: Inspection by grade in the Western Grain Division of Canada, 1923-24 to 1927-28

Year	Percentage of total cars inspected graded							
	August 1 - April 30				August 1 - July 31			
	No. 1	No. 2	No. 3	Total first 3 grades	No. 1	No. 2	No. 3	Total first 3 grades
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1923-24:	1.5	21.7	51.8	75.0	2.0	22.7	49.2	73.9
1924-25:	0.6	14.4	45.0	60.0	0.6	13.7	43.3	57.6
1925-26:	3.6	28.2	18.6	50.4	3.4	27.3	18.6	49.3
1926-27:	0.2	5.0	7.4	12.6	0.2	4.7	7.3	12.2
1927-28:	0.1	7.6	34.1	41.8	---	---	---	---

Board of Grain Commissioners, Winnipeg.

CANADA: Land prepared for crops, 1925-1928

Province and crop year	Summer fallow of previous year	New breaking of previous year	Fall plowing of previous year	Total land prepared previous year	Area under wheat	Wheat yield per acre	Total area under field crops
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Manitoba-							
1925	1,446	71	1,126	2,643	1,903	17.7	5,790
1926	1,456	74	1,870	3,400	2,086	22.6	6,199
1927	1,524	83	1,470	3,077	2,195	14.0	5,969
1928	1,821	71	1,721	3,613	---	---	---
Saskatchewan-							
1925	5,309	407	2,838	8,554	12,509	18.8	18,201
1926	5,552	355	1,541	7,448	13,558	16.2	19,389
1927	5,678	485	1,857	8,020	12,979	16.4	19,528
1928	6,011	564	2,451	9,026	---	---	---
Alberta-							
1925	2,313	399	---	---	5,348	18.3	9,450
1926	2,587	414	15	3,016	6,161	18.5	10,706
1927	2,718	560	1,000	4,278	6,251	27.4	10,972
1928	2,846	750	60	3,656	---	---	---
Prairie Provinces-							
1925	9,068	877	---	---	19,760	18.6	33,441
1926	9,595	843	3,426	13,864	21,805	17.5	36,294
1927	9,920	1,128	4,327	15,375	21,425	19.4	36,469
1928	10,678	1,385	4,232	16,295	---	---	---

Source: Dominion Bureau of Statistics and reports of Canadian Pacific Railway. Statistics for years 1918-1924 published in Foreign Crops and Markets, May 16, 1927, pages 676 and 677.

CANADA: Dates on which seeding became general and area sown to spring wheat in the Prairie Provinces, 1925-27

Year	Manitoba		Saskatchewan		Alberta	
	Date of spring seeding	Area sown to spring wheat	Date of spring seeding	Area sown to spring wheat	Date of spring seeding	Area sown to spring wheat
		1,000 acres		1,000 acres		1,000 acres
1925	April 15	1,903	April 23	12,509	April 28	5,334
1926	April 15	2,086	April 21	13,558	April 10	6,13?
1927	May 5	2,195	May 6	12,979	May 1	6,165

Compiled from reports of the Canadian Pacific Railway Company and Dominion Bureau of Statistics.

Opening and closing dates of Great Lakes

Year	Opening			Closing		
	Sault Ste. Marie		Fort William	Sault Ste. Marie		Fort William
	U. S. Canal	Canadian Canal		U. S. Canal	Canadian Canal	
1919	April 10			December 15		
1920	April 19			December 26		
1921	April 7			December 24		December 17
1922	April 17			December 20		December 16
1923	May 1			December 17		December 24
1924	April 19	April 20		December 19	December 16	December 17
1925	April 10	April 8		December 16	December 17	December 15
1926	April 29		May 3	December 18		December 12
1927	April 13		April 14	December 10		December 12
Av. 9yrs	April 17			December 18		a/(Dec. 16)
1928	b/(May 4)		May 4			

Dates for the Canals at Sault Ste. Marie taken from reports of the Corps of Engineers U. S. Army, for Fort William from Canadian Grain Statistics.
a/ Average for 7 years. b/ Unofficial indication.

WINTER WHEAT: Acreage average 1909-1913, annual 1925-1928

Crop and countries reporting in 1928 a/	Average 1909-1913	Harvest year 1925	1926	1927	1928	Per cent 1928 is of 1927
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
United States, for harvest	28,382	31,234	36,987	37,872	35,858	94.7
Canada, for harvest	1,019	776	844	853	796	93.3
Europe (10), area sown	56,539	53,788	54,145	53,378	54,407	101.9
N. Africa (3), area sown	6,531	7,686	7,957	7,059	7,389	104.7
Asia (2), area sown	29,354	31,910	30,600	31,408	31,802	101.3
Russia, area sown	---	18,808	21,144	27,057	27,794	102.7
Total 17 countries, excl. Russia	121,825	125,394	130,533	130,570	130,252	99.8
Est. world total winter and spring acreage, excl. Russia	204,200	227,700	231,000	234,500		

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FOREIGN NEWS ON WHEAT

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FRENCH GRAIN ACREAGE AND CROP CONDITIONS

The total winter and spring wheat acreage in France for the 1928 harvest is 12,774,000 acres, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from the International Institute of Agriculture. This is 434,000 acres below last year's acreage and is the lowest acreage since 1920, which was 12,586,000 acres.

The condition of wheat as of May 1 was 93 per cent of the average condition as of May 1 during the ten year period 1918-1927. The relation of the May 1 condition of wheat to final yields as indicated by a correlation of May 1 conditions and reported yields for the years 1902 to 1925 would indicate a yield for the 1928 harvest of about 18.7 bushels per acre, which on the acreage officially reported would give a total crop of approximately 239,000,000 bushels as compared with an actual production of 284,000,000 bushels in 1927 and 232,000,000 bushels in 1926. May, June and July conditions are important in determining yields and the actual yield may vary above or below the estimate of 18.7 bushels per acre in accordance with conditions during these months. During the past three years estimates based on the correlation of May 1 conditions with final yields have given a close indication of final yields. In 1925 the May 1 condition indicated a yield of 21.6 bushels to the acre but conditions improved after May 1 and the actual yield was 23.8 bushels per acre. In 1926 the May 1 condition indicated a yield of 19.1 bushels but with less favorable conditions from May 1 to harvest the actual yield was 17.9. In 1927 the indicated yield was 20.7 and the final yield 21.5. Weather conditions from May 1 to May 23 were generally unfavorable to improvement, according to reports from Acting Agricultural Commissioner L. V. Steere at Berlin.

Rye acreage for 1928 is reported by the Institute at 1,945,000 acres, the lowest acreage since 1919. There has been a tendency to reduce rye acreage since 1921 when it amounted to 2,227,000 acres. Rye condition on May 1 was 97 per cent of the ten year average for that date, compared with 103 per cent in 1927 and 99 per cent in 1926.

Barley acreage is reported at 1,702,000 acres, compared with 1,754,000 in 1927. It is the lowest acreage reported since 1923. The May 1 condition was 99 per cent of the 10 year average compared with 101 per cent last year.

Oats acreage placed at 8,4[illegible],000 acres is also the lowest since 1923. Last year's acreage is estimated at 8,542,000 acres. Oats condition on May 1 was 97 per cent of the 10 year average compared with 100 per cent last year.

The following tables show the acreage of small grain crops in France in recent years and the May 1 condition:

SMALL GRAINS: Acreage in France, 1924 to 1928

Year	Wheat	Rye	Barley	Oats
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1924	13,620	2,196	1,765	8,636
1925	13,872	2,147	1,727	8,598
1926	12,971	1,958	1,[illegible]68	8,677
1927	13,208	1,970	1,754	8,542
1928 preliminary	12,774	1,945	1,702	8,464

SMALL GRAINS: Condition in France on May 1, per cent of 10 year average May 1 condition

Date	Wheat	Rye	Barley	Oats
	Per cent	Per cent	Per cent	Per cent
May 1, 1926	97	99	100	100
May 1, 1927	103	103	101	100
May 1, 1928	93	97	93	97

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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to June 9, 1928)

The world wheat situation as of the first of June may be briefly summarized as follows: Area and condition reports received to date indicate -

1 - The winter wheat crop in the Northern Hemisphere will probably be less than last year. Forecasts and condition reports indicate that the winter wheat crops of the United States, Canada, Mexico, France, India and Chosen will amount to about 1,082,000,000 bushels as compared with 1,213,000,000 bushels produced last year.

2 - Conditions have been favorable for seeding spring wheat in Canada, and winter wheat in Argentina and Australia.

3 - The present available world supply of wheat is probably not very different from what it was at this time last year, and the carry-over on June 30th, the end of our marketing season, will probably be about the same as at the end of last season.

4 - European demand continues good and imports for the remainder of the season probably will about equal last year's imports for the corresponding period.

Prospects for 1928 crop

Early conditions continue to indicate a Northern Hemisphere wheat crop somewhat below that of 1927, although it is still too early to give a close indication of what the actual outturn may be. Total acreage as far as reported is 132,508,000 acres compared with 133,658,000 acres for the same countries last year, when these countries included 67 per cent of the Northern Hemisphere and 57 per cent of the world acreage. Conditions as reported to date for winter wheat in the United States, Canada, Mexico, France, Spain, India and Chosen indicate a production of 1,223 million bushels as compared with 1,358 million bushels produced last year.

For Canada private reporters estimate an increase in spring wheat acreage over last year, ranging from 9 to 12 per cent for the Prairie Provinces. The first official estimate of acreage is to be published July 10. The crop went into the ground in good condition but in Saskatchewan and Alberta May rainfall was below average, according to reports to the United States Weather Bureau and practically average in Manitoba. In Saskatchewan it was only .75 inch compared with a normal of 1.75 inches and in Alberta it was 1.4 inches compared with a normal of nearly 2 inches.

Nearly all districts reported soil moisture fair to excellent, with conditions satisfactory to excellent, practically no abandonment, but the soil getting dry in southern Alberta. Good showers over most of the Prairie Provinces the last week of May and moderate showers in southern Alberta have improved moisture conditions. The growth of wheat by the end of May varied from barely above ground to 6 or 8 inches high. Canadian wheat yield last year was 19.5 bushels to the acre, the highest since 1913 with two exceptions, 1915 when it went up to 26 bushels and 1923 with 21.7 bushels. A yield this year equal to the average for the past five years even with a 10 per cent increase in acreage would produce only about the same size crop as last year, and a yield equal to that of the past ten years would give only 397 million even with a 12 per cent increase in acreage.

European acreage so far as reported is 55,094,000 acres compared with 55,157,000 acres last year when those areas accounted for 78 per cent of the total European wheat area exclusive of Russia. Weather conditions have improved somewhat during the latter part of May, according to reports from L. V. Steere, Acting Agricultural Commissioner in Berlin, but prospects are still for a crop below that of last year. In France, the biggest European wheat producing country, the May 1 report of condition of the crop was only 93 per cent of the average for the past ten years compared with 103 per cent last year. The relation of the May 1 condition to final yields as indicated by a correlation of May 1 conditions and reported yields for the years 1902 to 1925 would indicate a yield for the 1928 harvest of about 18.7 bushels per acre, which, on the acreage according to the preliminary official report, would give a total crop of approximately 239 million bushels as compared with an actually reported production of 284 million bushels in 1927 and 232 million in 1926. May, June and July conditions are important in determining yields and the actual yield may vary above or below the 18.7 bushels per acre in accordance with conditions during these months. Weather conditions from May 1 to June 2 were generally favorable to some improvement this year, according to reports from Mr. Steere.

Italy, the next most important European wheat producing country, has had excellent conditions and the harvest season there begins the last of May, lasting through July. The crop can be considered as practically made. In the past ten years yields in Italy have ranged from 12.5 to 20.6 bushels to the acre. A yield equal to the average for the ten years on the acreage as now reported would give a crop of 216 million bushels compared with 196 million last year. A 20 bushel yield would give 247 million bushels, the biggest crop reported. In Spain a crop of 141 million bushels is reported this year compared with 145 million last year. This decrease and the indicated decrease in France will practically offset the expected increase in Italy. In the rest of Europe crops somewhat smaller than last year are anticipated except for Yugoslavia where the yield last year was much below average.

In Germany the condition of winter wheat on June 1 was 94 per cent of the average for the past ten years, compared with 112 per cent last year and 97 per cent in 1926. Unless conditions improve materially the rest of the year the yield is not expected to be more than about 24 to 25 bushels to the acre. Last year the yield of winter wheat was 27.9 bushels. Winter wheat in Germany in the past five years has averaged 89.2 per cent of the total wheat acreage.

The spring wheat condition on June 1 was 97 per cent of the average compared with 100 per cent in 1927. German wheat acreage figures will not be reported until September. There has been a general upward trend in wheat acreage since the war but last year it exceeded for the first time the pre-war average acreage for present boundaries, and it is a question whether the upward trend will continue. With an acreage equal to that of last year the total wheat crop with a yield of 24 to 25 bushels an acre would be about 104 to 108 million bushels compared with 121 million bushels last year.

Hungary reported on May 25 that wheat conditions were above average while in mid-May a year ago conditions were good. Acreage is not reported this year. There has been an upward trend in the past seven years and last year's acreage was the highest reported in those years. Reports for Poland continue to show poor conditions as compared with last year. Rumanian fields were patchy the end of May but otherwise good, and the Bulgarian wheat crop was also good. Both of these countries had yields last year above the average for the past four years. Rumanian winter acreage for 1928 is smaller than in the two preceding years. Bulgarian total wheat acreage has been increasing the past four years and for 1928 is 2.6 per cent above last year.

For Russia there appears to have been some improvement in wheat conditions in May but reports are lacking for the Ukraine, and North Caucasus, two important wheat regions, so there is little indication of the real prospect for the country as a whole. Meager reports from North Africa continue favorable to a crop as large as last year, except that rains in some localities may have caused some damage.

The May production report for India has reduced the estimated crop from 331 to 294 million bushels compared with a final estimate of 334 million last year. There is usually little change between the May and the final estimates although in 1923 the May estimate of 402 million bushels was later reduced to 369 million. Chosen production is 8.5 million bushels this year compared with 9 million last year. The Chinese winter crop was reported on May 1 as being in good condition although additional rain was needed. Last year supplies of domestic wheat appeared to be plentiful in the interior back of Shanghai, the most important milling center of China, but difficult transportation and excessive taxation enroute to Shanghai kept supplies from reaching the mills.

In the Southern Hemisphere there appears to have been sufficient rainfall in April and May in the wheat zone for preparation of the soil

for the early seeding which usually begins in May but is heaviest in June and July. In Australia there has been a campaign on to increase wheat acreage. A correspondent of this Bureau in Australia expects an increase of 15 million acres over last year's wheat area of 11 million acres. Acreage and production figures as far as reported are given on pages 26 and 27.

Early indications on the European rye crop which affects to some extent the European demand for wheat, do not indicate any increase in production over last year, although there is an increase of 3 per cent in acreage. The 1928 rye acreage in 13 European countries is 23,378,000 acres against 22,668,000 acres in 1927, an increase of 3.1 per cent. Germany is the most important rye producing country of Europe, excluding Russia. No estimate of the 1928 acreage has been received but winter killing was reported at 3.5 per cent and the condition as of May 1 was 94 per cent of the preceding ten-year average against 100 per cent as of May 1, 1927. In Poland which ranks next to Germany in production winter acreage is estimated at 12,549,000 acreas against 12,008,000 acres in 1927 but considerable winter killing is reported and the condition as of May 1 was 90 per cent of the preceding ten-year average against 110 per cent as of May 1, 1927. Weather during May has been more favorable but warmer weather is needed.

Wheat Supplies for the Balance of the Year

The world's wheat supply for the remainder of the year appears to be as low as, or lower than, that of last year. There are about 50 million bushels more in Canada than at this time last year, but this increase is offset by decreases in the Southern Hemisphere and in some European countries. Furthermore, the Canadian exportable surplus is probably not more than about 45 millions greater than last year. There appears to be a slow foreign demand for Canadian wheat for early June shipment. Trade reports as of the first of June stated that large grain carriers were tied up without any orders. Stocks in the United States are no larger than last year.

The Southern Hemisphere has continued to export heavily and the Argentine exportable surplus on June 2 was estimated at 55 million bushels or 20 million below last year, while that for Australia was 20 million, or 25 million below those of a year ago. Supplies for export in Russia and the Balkans appear to have been practically exhausted by the beginning of April while last year they were exporting some grain through June. Hungary, the heaviest European exporter, was still shipping out some grain in April but by the first of May exportable supplies appeared to have been practically exhausted while last year two million bushels were exported in May and June. Stocks in European importing countries appear to be low and the demand is expected to be good for the balance of the year.

Exports and Imports

Net exports of the most important exporting countries since July 1927, as reported to date amount to 717 million bushels, or 32 million below exports from those countries in the same period last year. These figures include exports from most of the important exporting countries up to June 2, but for Canada they are available only through April and for Hungary through February. Canada probably exported in May this year about 2 million bushels more than in May last year. Hungary is also reported to have exported a little grain but the total of exports of exporting countries for the season to date is still probably about 30 million bushels short of the exports in the corresponding period last season. United States exports to the Orient through April were about 2 million bushels greater than last year. Canadian exports to the Orient through December were slightly less than for that period last year. Imports of European importing countries as far as reported since July 1 amount to 477 million bushels compared with 472 millions for the corresponding period last year.

WHEAT, INCLUDING FLOUR: Net exports of surplus producing countries for 1924-25 to 1926-27, and estimates for 1927-28 as indicated by production and carry-over estimates

Country	Year beginning July 1			1927-28 estimate		Net exports reported		
	1924-25	1925-26	1926-27	Minimum	Maximum	July to and including	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
United States...	255	92	206	190	210	June 2:	a/ 193	a/ 184
Canada.....	194	320	305	305	330	April :	253	b/ 246
Russia.....	1	27	49	6	7	June 2:	33	6
British India...	45	7	9	9	12	June 2:	8	9
Rumania.....	4	8	11	5	10	May :	10	4
Bulgaria.....	c/	4	2	2	6	Dec. :	2	2
Hungary.....	15	19	21	17	19	Feb. :	18	17
Yugoslavia.....	10	12	10	1	2	Dec. :	8	1
Algeria.....	c/	5	d/	3	5	Jan. :	2	1
Total above N. Hem. countries:	524	494	613	538	601		492	450
Argentina.....	127	100	140	175	185	June 2:	130	170
Australia.....	124	77	96	70	80	June 2:	92	67
Chile.....	9	2	d/	0	10	Nov. :	d/	d/
Total above S. Hem. countries	260	179	236	245	275		222	237
Grand total...	784	673	849	783	876		749	717
More probable estimates.....				800	850			

a/ Exports through June less imports through April.
b/ Exports through April less imports through December.
c/ Net imports.
d/ Less than 500,000 bushels.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries 1924-25 to 1926-27 and estimates of probable imports as indicated by production and early trade estimates

Country	Year beginning July 1					Net imports reported		
				1927-28 estimate				
	1924-25	1925-26	1926-27	Minimum	Maximum	Month	1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain	216	188	217	200	220	July-April	175	159
Italy	96	64	87	85	95	April	73	65
Germany	71	56	94	90	100	March	64	70
France	41	34	53	55	65	March	35	47
Belgium	39	39	42	42	46	March	29	32
Netherlands	26	27	28	29	31	April	23	26
Czechoslovakia	23	19	21	18	22	March	15	16
Greece	22	a/ (22)	a/ (22)	(20)	(20)	b/		b/
Irish Free State	19	18	19	18	21	March	14	12
Austria	16	15	17	15	17	c/	11	9
Switzerland	14	14	17	15	17	April	15	17
Sweden	11	6	6	6	7	March	4	7
Norway	5	6	6	5	6	March	5	5
Denmark	6	6	7	7	8	Feb.	4	6
Finland	4	5	5	4	5	Feb.	4	3
Poland	14	d/ (2)	7	5	10	Jan.	1	3
Total above European countries	623	517	648	614	690		472	477
More important non-European countries -								
Japan	13	23	14			Feb.	7	8
China d/	2	16	9			e/	4	4
Hongkong d/	3	3	4			e/	2	5
Brazil	29	29	30			Dec.	15	16
Total above non-European countries	47	71	57				28	33
Total all above countries	670	588	705				500	510

a/ Rough approximation. b/ Not available for 1927. c/ July-December imports only. d/ Exports from United States, Canada and Australia to the country listed. e/ Ten months exports from the United States, six months from Canada, and no months from Australia.

United States Wheat Prices

Cash wheat prices which had been rising so rapidly during April reached the high point during the week ended May 4 and during the next two weeks declined even more rapidly than they had previously risen then continued fairly stable to the end of the month. The price of all classes and grades of wheat at the six principal markets declined 15 cents to $1.47 per bushel during the two weeks ending May 18 but only declined 1 cent to $1.46 during the following two weeks ended June 1 as compared with $1.52 a year ago.

Durum wheat is responsible for the general average price being lower than last year as the average prices of all other classes are above those of a year ago. The average price for the month was $1.51 as compared with $1.51 in April and $1.45 a year ago. The price of soft red winter wheat as represented by No. 2 grade at St. Louis declined even more sharply during the first two weeks of May than it had risen during the last three weeks of April. The price declined from a high peak of $2.20 to $1.81 per bushel during the two weeks ended May 18, then declined two cents more the following week to advance four cents to $1.83 the week ended June 1. In connection with the price of red winter wheat it is interesting to note what was said about the exports of this class of wheat in the December 12, 1927, issue of "Foreign News on Wheat". There the statement was made that "Comparing estimates of production and exports in previous years, it would appear that we had at the beginning of the year no exportable surplus of soft red winter wheat and therefore that domestic supplies of this wheat have been reduced below the amount ordinarily used at home". This condition, no doubt, is responsible in a large measure for the May advance in the average price of red winter to a level much higher than any other class of wheat. No. 2 hard winter wheat at Kansas City declined 18 cents per bushel to $1.51 during the two weeks ended May 18 then advanced four cents to $1.55 during the next two weeks ended June 1, as compared with $1.49 a year before. No. 1 dark northern spring at Minneapolis declined 14 cents to $1.60 during the two weeks ended May 18, advanced to $1.61 the week following and continued at this level to the end of the month as compared with $1.61 the year before. The price of No. 2 amber durum which had not advanced as much as the other classes of wheat during April declined 12 cents to $1.36 per bushel during the two weeks ended May 18, advanced two cents the following week but declined to $1.36 the last week of May as compared with $1.61 a year ago.

Since May 1 future closing prices of wheat have been on a downward trend with an upturn in prices during the week ended May 24. Unsettled conditions in the United States and Canadian spring wheat territory and adverse crop conditions in Europe tended to counteract the weakening factors in the market. On May 3, when May and July options were nearly the same, May futures at Chicago closed at 157 cents per bushel. On May 17 July futures closed at 148 cents but advanced to 153 cents on May 24 only to decline to 144 cents May 31 as compared with 147 cents a year ago. Future closings acted in the same manner at Liverpool and Winnipeg but to a much less extent. On May 3 the Chicago closing price was only three cents under the Liverpool close. By May 17 Chicago was eight cents under, and on May 31, 12 cents under. July futures at Liverpool closed at 156 cents on May 31 as compared with 167 cents a year before. July futures at Buenos Aires at 138 cents on May 30 were 12 cents under last year's price. Winnipeg prices at the end of the month were also under last year's prices as July futures closed at 141 cents on May 31, as compared with 148 cents a year ago.

WHEAT: Weighted average cash prices at stated markets.

Months and weeks	All classes: six markets		No. 2 hard winter: Kansas City		No. 1 dk.N.spring: Minneapolis		No. 2 amber durum: Minneapolis		No. 2 red winter: St. Louis	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	142	139	137	136	175	158	154	153	142	141
August	135	136	131	135	156	150	153	140	134	142
September	136	129	132	131	148	137	138	128	136	142
October	139	125	139	128	153	134	150	123	140	145
November	138	126	137	131	148	134	161	128	136	141
December	139	128	138	132	148	137	174	132	137	144
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
January	147	131	137	133	147	143	163	130	138	151
February	136	132	135	133	146	142	160	129	135	156
March	134	137	133	138	143	147	157	133	130	169
April	135	151	131	152	141	163	154	141	129	196
May	145	151	142	160	153	178	158	140	142	196
June	149		144		157		157		150	
May 4	140	162	136	169	149	174	159	148	137	220
11	144	156	141	164	152	168	161	144	141	204
18	144	147	139	151	153	160	154	136	139	181
25	149	147	145	153	159	161	161	138	146	179
June 1	152	146	149	155	161	161	161	136	151	183
8	149		145		159		158		150	

WHEAT; Closing prices of May and July futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
	May futures											
May 3	142	157	133	152	139	152	153	152	161	160	---	142
10	142	152	135	150	139	148	152	151	158	159	---	142
	July futures											
17	138	148	130	139	153	144	151	148	158	156	141	b/138
24	149	153	137	145	148	150	160	---	164	161	143	141
31	147	144	140	136	148	141	160	143	167	156	150	138
June 7	146	142	138	134	145	140	160	142	164	152	145	137
14	147		138		145		160		163		142	

a/ Prices are as of day previous to date of other market prices. b/ June future.

The Estimated May Price of Spring Wheat

The factors which in previous years appear to have largely determined the average May price of spring wheat in the United States also explain the average price for May, 1928. The actual average of No. 1 spring wheat, based on all reported cash sales, was $1.57. The price estimated by means of a statistical formula was $1.58, a difference of only one cent.

The actual price of $1.57 represents an advance of 23 cents above the average for the preceding September, and 25 cents above the average for the preceding December when most of the factors used in estimating the May price were available.

The method of estimating the May price of spring wheat several months in advance (as described in the May 11, 1925, issue of "Foreign Crops and Markets") is based on a study of the dominant factors which had determined the average May prices during the period 1896-1914. For that period it was found that the year to year changes in Northern and Southern Hemisphere production, the change in price between April and September and the average September prices were the dominant factors from which the average May price of the following year could be estimated. The formula developed from that study has been applied to the post-war years, with the following results for the two periods:

During the years 1896-1914, the period upon which the study was based, the average error in estimating the May price was only 2.2 cents, omitting an error of 29.4 cents in the year of the Leiter corner. The largest difference, 7 cents, occurred in 1907.

When applied to the post-war years, 1921-1928, the estimated prices have been reasonably close to the actual prices six out of eight years, while large differences occurred in 1923 and in 1925. During these six years the average error was slightly less than four cents. The formula over-estimated the May, 1923, price apparently because of a so-called natural corner in the previous year; and under-estimated the May, 1925, price apparently because of changes in tariff relationships between April and September of the preceding year. In the remaining six years when the average error was slightly less than four cents, the formula over-estimated the May, 1927, price ten cents. The explanation of this difference is probably to be found in the fact that certain factors kept wheat prices in the United States markets lower than generally expected during most of the year until the rapid rise during the last half of May and partly in the fact that September, 1926, price, an important factor in the estimating formula may have been influenced somewhat by the ocean freight rate situation which probably tended to produce a September average price somewhat higher than warranted by the supply conditions, and consequently a somewhat higher estimated price for May.

These explanations relative to the difference between the post-war estimates and the actual May average prices are suggested here to indicate that a formula based simply on a few outstanding factors, even though it usually gives very close results, must be applied with considerable caution. It needs to be supplemented by a knowledge of the current wheat situation which may make it different from the situation in other "normal"years.

SPRING WHEAT: Estimated and actual May prices at Chicago, 1896-1914 and 1921-1928

Year	Estimate	Average May price	Year	Estimate	Average May price
	Cents	Cents		Cents	Cents
1896	62.8	61.2	1910	112.4	111.7
1897	69.7	72.4	1911	98.6	102.8
1898	90.8	a/ 120.2	1912	118.6	118.9
1899	72.3	73.0	1913	93.4	92.7
1900	67.1	67.0	1914	95.4	98.3
1901	69.7	74.1	War period		
1902	78.9	76.7	1921	168.2	163.0
1903	79.7	79.8	1922	151.6	150.0
1904	98.1	96.3	1923	a/ 152.3	121.5
1905	101.3	102.1	1924	120.1	116.4
1906	78.3	84.3	1925 b/	a/ 131.4	167.0
1907	89.8	96.8	1926 b/	164.4	162.1
1908	107.3	107.8	1927 b/	a/ 157.1	146.6
1909	128.4	131.1	1928 b/	158.4	157.4

Division of Statistical and Historical Research. Average May prices compiled from Bartel's Red Book and Chicago Daily Trade Bulletin, average of daily quotations.

a/ See text for explanation of differences between actual and estimated.

b/ Prices of No. 1 Northern Spring, Minneapolis.

SPRING WHEAT: Trends used in estimating the May price, 1921-1927.

Year beginning July 1	Production		Hypothetical consumption	Price, adjusted		
	Northern Hemisphere	Southern Hemisphere	Russia	April	Sept.	May
	Million bu.	Million bu.	Million bu.	Cents	Cents	Cents
1920	3,219	269	752	107.6	95.6	111.2
1921	3,279	278	781	107.9	96.2	111.8
1922	3,338	287	810	108.2	96.8	112.4
1923	3,398	296	839	108.5	97.4	113.0
1924	3,457	305	868	108.8	98.0	113.6
1925	3,516	314	897	109.1	98.6	114.2
1926	3,576	323	926	109.4	99.2	114.8
1927	3,636	332	955	109.7	99.8	115.4

Division of Statistical and Historical Research.

Supply and Distribution of the United States Wheat Crop

The December estimate of production, 872,000,000 bushels of wheat, added to a carryover of 124,000,000 bushels and imports through April, 1928 of 12,000,000 bushels make a total supply of 1,008,000,000 bushels as compared with 940,000,000 bushels last year. The carryover figure includes wheat in commercial mills and elevators, some of which may have been wheat from the new crop as harvest began early in the Southwest last year.

Available information indicates that stocks of wheat as of April 1 amounted to 296,000,000 bushels or slightly less than last year, which would mean a disposal of approximately 712,000,000 bushels from July 1, 1927 to April 1, 1928 through channels of exports, mill grindings, winter seedings, a small amount of spring seedings, and feed and waste. During the month of April 42,397,000 bushels of wheat were ground by commercial mills and 2,723,000 bushels were exported. In addition to the small amount of wheat already used for spring seedings in March, it is probable that around 27,000,000 bushels more would have been used for seed in April and May. Assuming this to be true there would be some 224,000,000 bushels left on May 1 to be utilized in various ways other than for seed. In attempting to arrive at a probable carryover figure on July 1, it is not unreasonable to assume that slightly more wheat will be ground during May and June and that somewhat less wheat will be exported than during the last two months of the 1926-27 crop season. During May and June last year, approximately 85,000,000 bushels were ground by commercial mills and 16,000,000 bushels were exported in the form of grain. Based on these assumptions and allowing for imports during April, May and June, the amount of old wheat on hand July 1 will not be much different from that on July 1 last year.

Classes of Wheat Exported

Commerce reports indicate that 136,126,000 bushels of wheat were exported as grain during the period July 1, 1927 through April, 1928. Based on inspections of United States wheat for export and Canadian inspections of United States wheat during the same period, approximately five per cent of this amount was hard red spring, 16 per cent was durum, 47 per cent hard red winter, 10 per cent soft red winter and 22 per cent was white wheat. The table on page 13 shows comparisons with past years. In the August 18, 1927 issue of this publication there appeared a rough estimate of exports of wheat by classes for the 1927 crop year, based upon estimates of production by classes and export inspections for the past five years. With export figures for ten months available it now appears that total exports were overestimated. The exports of hard red winter will come within the estimated range, hard red spring and durum appear to be overestimated and the exports of soft red winter and white underestimated.

Winter wheat: United States production by classes, 1924-1928

Year	Total	Hard red winter	Soft red winter	White winter
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1924	592,259	364,662	189,441	38,156
1925	401,734	205,799	169,792	26,143
1926	627,433	360,440	228,886	38,107
1927	552,384	317,983	180,282	54,119
1928 a/	512,252	330,218	120,662	61,372

These production estimates by classes are based upon percentages f area by classes in 1924, supplemented by percentages in 1923.

a/ Indicated production as of June 1.

Wheat: Exports from the United States, by classes and percentages, 1922-1927

Year	Exports: Hard red spring	Durum	Hard red winter	Soft red winter	White	Total 1/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1922	17,046	41,837	58,891	23,243	13,945	154,951
1923	3,152	16,546	26,002	13,395	19,698	78,793
1924	37,143	31,278	107,520	7,820	11,729	195,490
1925	3,159	30,331	10,742	2,528	16,429	63,189
1926	1,562	21,875	75,000	31,250	26,563	156,250
1927 2/	6,806	21,780	63,979	13,613	29,948	136,126
	Percentage of total exports					
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
1922	11	27	38	15	9	100
1923	4	21	33	17	25	100
1924	19	16	55	4	6	100
1925	5	48	17	4	26	100
1926	1	14	48	20	17	100
1927 2/	5	16	47	10	22	100

1/ Totals reported by the Department of Commerce. Distribution by classes made on basis of inspections for export and Canadian inspection of United States wheat.

2/ Ten months.

Canadian Wheat Supply

The carryover of wheat in Canada on June 30th is likely to be about 40 million bushels greater than on June 30th last year. Stocks in farmers' hands March 31st were estimated to be 65 million bushels, compared with 51 million last year. Between March 31st and May 14th receipts at country elevators and platform loadings amounted to 14 million bushels this year, compared with 7 millions last, which will reduce supplies in farmers' hands to 51 million bushels this year as compared with 44 millions last year. The increase in seeding has probably used up most of the increase in the supplies remaining in farmers' hands, so that the carryover in the Canadian farmers' hands at the end of our marketing season will be about the same as upon the same date last year. Stocks of wheat in Canadian elevators, however, probably will be considerably larger than last year. The total of reported stocks on May 25th amounted to 113 million bushels, 48 millions more than the stocks on the corresponding date of last year. A large part of the excess in stocks is in western country elevators or at Fort William and Port Arthur, and it is unlikely that the exports for the remainder of the season will run very far ahead of last season when May and June exports amounted to 52 million bushels. Should exports in May and June of this year amount to 60 million bushels, there would be left for carryover about 95 million bushels, as compared with 57 million last year.

Wheat Stocks in Canada

Item	1927	1928
	Million bushels	Million bushels
Exportable surplus March 31 & carryover	a/ 131	166
Exports April	22	11
Balance May 1	109	155
Exports May	32	b/ (34)
Balance June 1	77	(121)
Exports June	20	
July	8	
May movement -		
Shipments from Fort William-Port Arthur	22.5	24
" from Vancouver & Prince Rupert	3.3	8
" by boat from eastern ports	18	14
Total movement	44	46

a/ Includes exports April through July plus carryover.

b/ Assuming that exports are as much larger than last year as is the total movement from important markets.

The Continental European Wheat Situation During May a/

Although Continental wheat markets generally continued quiet throughout May, as a result of the decline of prices in America, in the first week of June activity increased. According to Agricultural Commissioner L. V. Steere at Berlin, continued unsatisfactory reports on European crop conditions have tended to bolster prices at local markets on the Continent, but the flour mills and other buyers, even though flour sales have remained quite satisfactory, have been reluctant to make new commitments. As a result, it is indicated that wheat stocks at the mills and in trade hands have been declining throughout the month, and in some places are now relatively light. Stocks at the ports have also been reduced through steady movement to the interior and by the slower tendency of arrivals. In short, it appears that the way has been cleared for a good revival of buying when the price situation becomes more stable, as there is no question as to the existence of continued large import needs in most deficit countries on the Continent. With reports indicating generally moderate, and in some places even below normal, stocks of imported grain at the ports and in the hands of the trade, and with overseas shipments continuing relatively small as compared with last year at this time, there are some indications that a very active demand may develop in the weeks immediately ahead, especially if price developments are favorable.

Germany and Italy will continue to be the two largest buyers of overseas wheat between now and the new harvest, but there are also some indications that France and Poland may have important requirements to be met by importation. The French market has been reported as turning over a good volume of business during May, prices being well sustained in spite of the decline in America. Poland withdrew from the market for some time early in May, but has recently been doing some buying again. Central European countries have made very small commitments during the month, but are likely to come into the market for more overseas supplies in the near future, as reports now indicate that supplies of domestic grain in the Danube Basin will become unusually low before the new crop is on the market.

The flour markets, while quiet, have been more satisfactory during May than was to have been expected with lower wheat prices. This indicates that flour users have been buying on a hand-to-mouth policy and that their current requirements will not permit them to stay long out of the market. The present high flour prices and the uncertain outlook have been conducive to such a policy. The steadier tendency for wheat flour is doubtless also due partially to increasing substitution of wheat flour for rye flour, which, however, is still finding a comparatively good demand, considering price levels. Another interesting development in recent weeks is to be found in the reports from flour mills in eastern Germany, Hungary and in other parts of the Danube Basin, that lack of supplies of domestic grain may force the shutting down of some mills in the near future. This seems to indicate earlier than ordinary exhaustion of domestic wheat supplies, at least in certain producing districts.

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a/ Report of May 24, supplemented by cable of June 7.

Rye stocks continue to decline steadily and are now comparatively light in all parts of the Continent. Prices have remained high during the month, both absolutely and in relation to wheat prices. The expectation is general that rye quotations will be well maintained until the approach of the new harvest.

The European imports of wheat and wheat flour for the season will be very close to that of last season. It now seems probable that the Italian wheat imports will fall below last year's. Imports in April were approximately 11 million bushels, and May and June takings will be important but probably not large enough to raise the total for the season above last year's figures. There is little doubt that Germany will import more wheat during the twelve months ending June 30, 1928 than was imported last year. French imports for the season promise to approximate those of last year in spite of the much larger crop. It is difficult to say whether this means an increased consumption of flour or whether it is entirely due to unmillable grain which has had to be fed. Reports indicate that Poland also has extensive import requirements, but just how large it is still difficult to estimate.

GERMANY

The indications that German consumptive channels for grain tended to fill up during April, have been well borne out by developments in May. With American wheat prices declining during the month - which was only partially reflected on the German market, however, - there has been a distinct falling off in German flour mill and trade demand for overseas wheat. Previous purchases have been sufficient to meet the bulk of requirements throughout most of the month. Polish and Czechoslovakian buying in the German market has also subsided largely, although small sales have recently been reported again.

This continued inactivity of the market, however, has apparently prepared the way for a renewal of buying as soon as wheat prices attain some degree of stability. Reports indicate that flour mills have been cutting into their wheat supplies and will probably have additional requirements before long. With arrivals from overseas running comparatively small and movement toward the interior proceeding regularly, it also appears that port stocks have been reduced and trade channels opened up for a revival in business when a favorable turn occurs. Although domestic supplies are larger than a year ago at this time, offerings of domestic wheat continue restricted, in fact, flour millers in certain eastern surplus districts of Germany complain at their inability to secure supplies. This complaint first arose when Polish purchases in April began to draw wheat from eastern Germany, but has continued in May although such buying was negligible until the past few days.

The comparative scarcity of good millable supplies of domestic grain in Germany is indicated by the fact that German wheat prices have shown great resistance to the decline in world prices during May. Domestic wheat at Berlin was quoted at $1.71 a bushel on June 6 as com-

pared with $1.76 on May 2. Rye at Berlin was $1.68 a bushel on June 6 as compared with $1.70 four weeks earlier. Rye prices are therefore higher pound for pound than wheat, a margin which has been maintained for nearly two weeks, in spite of the fact that there has been little stimulus from Polish buying recently.

Wheat and Rye: Prices, per bushel, Germany, April 25 - June 6, 1928

Date	Wheat			Rye
	Hamburg	Breslau	Berlin	Berlin
	Cents	Cents	Cents	Cents
April 25	171.8	185.4	177.3	173.7
May 2	176.3	188.0	173.4	170.0
May 9	175.1	186.1	173.4	171.8
May 16	174.4	182.8	171.5	173.7
May 23	174.4	182.8	170.8	173.0
May 30	174.4	182.8	170.8	169.4
June 6	170.5	182.8	170.1	168.2

Prospects a month ago that the rye market offered possibilities of further interesting development, still seem to hold good. Rye prices have continued high throughout the month, absolutely and in relation to wheat prices, even though domestic and foreign buying have been quiet.

Considering the smaller grain arrivals and the quieter tendency of the market during May, it now seems probable that German imports of wheat in May will prove to be smaller than in April, during which total imports amounted to 9 million bushels, as compared with 8 million bushels in April last year. Last year's May imports amounted to 10 million bushels. German rye imports during April totaled 1.4 million bushels as compared with 1.3 million bushels March this year and 2.4 million bushels in April last year. Rye imports during the balance of the season will undoubtedly be much smaller than last year's large takings, because of the smaller supplies available for export overseas.

FRANCE

The French wheat market has been comparatively active and wheat prices firm throughout May, a noticeably different situation than in other Continental markets. Offerings of both domestic and foreign grain found surprisingly ready buyers considering the world market tendency. The market appears to have been largely influenced by the continued unfavorable weather experienced in France during May, and the unsatisfactory reports on domestic crop conditions. The present outlook is for only a fair crop, even with very good weather from now on.

ITALY

Italian wheat markets report fairly active business during the first three weeks of May, but not so active as in April. Italian crop conditions are more favorable than for any other country on the Continent.

HOLLAND AND BELGIUM

Dutch and Belgian wheat markets have been quiet and doing a restricted business during May. Mills buying in these markets, however, are said to have only light supplies of grain, and a revival of interest is anticipated in the near future. Relatively large takings are probable in these countries between now and the end of the season.

DANUBE BASIN

Grain markets in the Danube Basin have been comparatively inactive during May. Prices have followed world market tendencies rather closely, an indication of the practical exhaustion of domestic commercial surpluses in this region. The importation of foreign flour has been quite an important item in the Upper Danubian countries since May 1.

Hungary is the only country which now has any export grain, and these supplies are very small. In Rumania, a number of ships have recently had to leave in ballast because of inability to secure any grain, and Yugoslavia is importing. Reports indicate that some Hungarian flour mills will have to shut down soon because of the scarcity of grain, and there is also some talk of short supplies in Rumanian consuming centers, although no actual shortage exists in the country.

POLAND

May reports from Poland indicate very small marketings and approaching exhaustion of commercial surpluses of grain, with resultant firmness in the market. The general tone of the market and the demand for foreign grain has recently become quieter, following a period of active foreign buying, but it is expected that importation will be resumed before long, as there are apparently further needs to be covered. The present unsatisfactory crop prospects and the delay in the crop also increase the need for building up stocks.

The Polish government has prolonged to June 30 the prohibition on imports of wheat flour.

Polish crop prospects are said to be particularly unfavorable in Posen and East Galicia; barley is reported largely killed by recent frosts.

A farmers' organization in Poland also recently reported winter killing of wheat, rye and rape as high as 50-80 per cent in some districts. This is exceptional, and probably unduly pessimistic.

Early estimates of crop production and trade in previous years

Reliable information is needed by wheat farmers and exporters throughout the year on the amount of competition they must expect to meet from foreign wheat producers and the probable requirements of importing countries which provide a market for our surplus, as a basis for their marketing and export program. It is especially desirable to have as accurate information as possible on the probable size of the new crop in foreign countries before or near the beginning of our export movement which is in full force by August. With the Canadian crop not cut until August and September and still subject to much weather hazard from drought, rust or frost, with North European crops still not harvested; and the Southern Hemisphere crop not yet all in the ground, it is of course, impossible to get an exact indication of foreign competition when our winter wheat begins to come on the market. All early indications are helpful, however, and by the latter part of June or the first part of July, enough information is usually available to indicate whether or not our farmers will meet heavier competition than in the preceding year. In 1923 when conditions were summarized on July 11 as indicating a crop in the Northern Hemisphere outside of Russia and China, moderately larger than in 1922 the actual finally reported production estimates totalled 9 per cent larger. In 1924 conditions were summarized on July 9 as indicating a crop at least 10 per cent below the previous year and the final estimate for the year was 12 per cent below. On July 13, 1925, conditions indicated a crop larger than the preceding year. Conditions steadily improved in most European countries and North American following the reports on which this statement was based and the final estimates indicated a crop 11 per cent larger than the preceding year. In 1926 conditions were summarized about the middle of July as indicating a harvest somewhat less than in 1925 due mostly to indicated reductions in Europe, but attention was called to a situation more than usually uncertain in Canada. The conditions of spring wheat improved in Canada and the United States after July 1. With this improvement, however, the total Northern Hemisphere crop for 1926, exclusive of Russia and China was about 2 per cent below that of 1925.

For 1927 our July report stated the expectation that the Northern Hemisphere crop exclusive of Russia and China would be about the same as last year, - production and other reports up to that time indicated a decrease of about 2 per cent, but attention was called to the prospect that improved conditions in some countries, especially Canada, might raise the estimate. These expected improved conditions materialized and latest estimates for the Northern Hemisphere show an increase of 5 per cent as compared with 1926. In July we expected the European crop to be 5 to 6 per cent above 1926 and latest estimates are nearly 5 per cent above. In July we called attention to the possibility that drought in the

Southern Hemisphere might reduce the crop there enough to offset a possible increase in Northern Hemisphere crop. In spite of later improved conditions in Argentina the total Southern Hemisphere crop as now reported for 5 countries is 5 per cent below production a year ago, bringing world crop, exclusive of Russia and China, down to only 3.4 per cent above 1926.

In July it was too early for any indication of the quality of the crop. But in the next review of the wheat situation, August 18, attention was called to the uncertainty in the European situation caused by storm damage and the possibility of frost damage in Canada. The poor quality in Northern Europe was more definitely reported in September and the effect of this deterioration and that in Canada was stressed in each succeeding release of the Foreign Service on the world wheat situation until February when the feed grain situation had assumed special importance in its relation to the wheat situation. A summary of the July indications of wheat production in countries reporting, together with production as finally officially estimated for the years 1924 to 1927 are given on page 24.

It is more difficult to make accurate estimates of exports and imports than accurate production estimates. Changing economic conditions and changes in various competitive factors are effective continuously to complicate the situation, in addition to changing estimates of production. In the past four years we have made early in the season preliminary estimates of the probable exports or imports of the most important countries. These preliminary estimates have been modified from time to time during the remainder of the season with changes in the estimates of the crops and other developments which appear likely to affect the exports or imports of the season.

It may be of interest to review briefly the first estimates of the past four seasons, and check them against the final official figures for the season. In September 1924 we underestimated total exports of the principal exporting countries for the 1924-25 season. The total of our estimates of exports for the important exporting countries ranged from 600 to 685 million bushels, and the total of official exports for the season amounted to 782 million bushels. This underestimate at the beginning of the season was due in part to the fact that the early estimates of the crops in these exporting countries were smaller than the final outturn of those crops, and in part to the fact that the great deficits of importing countries and higher prices led to a reduction of stocks in the exporting countries. The final outturn of the crop in the United States, for example, was estimated to be 30 million bushels greater than the September estimate, and a considerable reduction was made in the large stocks held over at the beginning of the 1924-25 season.

The exports of principal exporting countries in the 1925-26 season fell within and very close to the middle of the range of the October estimates of probable exports. Net exports of the countries included in the estimates amounted to 678 million bushels, and the October estimates

ranged from 573 to 767 millions, with a mean of 670 million bushels. European imports amounted to 519 million bushels, and the October estimated range was 460-558, with a mean of 509 million bushels.

The exports for the 1926-27 season also fell within the range and at about the mid-point of the early estimates. The exports amounted to 790 million bushels, whereas the range of the first estimates for the Northern and Southern Hemisphere countries together was from 727 to 870 millions, with a mean of 799 millions. The imports of European countries were underestimated at the beginning of the season. Net imports of the principal European importing countries amounted to 601 million bushels, whereas the maximum of the early estimates totaled only 584 million bushels.

It is still too early to judge of the accuracy of the 1927-28 estimates of trade but it now appears that the first estimate for the NorthernHemisphere exports was somewhat high and for the Southern Hemisphere correspondingly low.

Estimated net wheat exports of exporting countries and imports of importing countries, and official reports 1924-25 to 1927-28

Year and date of report	Exports of important exporting countries		Imports of European importing countries	
	Minimum	Maximum	Minimum	Maximum
1924-25	million bu.	million bu.	million bu.	million bu.
September 24	600	685	458	559
November 26	610	705	494	588
February 18	695	765	542	638
May 11	753		566	641
July 13	--	--	579	644
Officially rep't'd.	782		605	
1925-26				
October 26	573	767	460	558
January 18	581	740	460	558
May 3	612	691	503	513
Officially rep't'd.	678		519	
	Northern Hemisphere		Northern and S.Hemisphere	
1926-27	Min.	Max.	Min.	Max.		
September 13	475	571	--	--	--	--
October 25	485	581	--	--	497	584
December 20	490	580	727	870	500	586
March 14	510	578	750	875	527	604
Officially rep't'd.	556		790		601	
1927-28						
September 15	575	701	--	--	576	646
November 21	555	662	730	922	600	685
January 17	560	655	745	915	600	690
February 23	560	645	755	905	--	--
March 16	--	--	--	--	605	691
April 18	--	--	--	--	608	683
May 16	537	603	757	858	614	690

WHEAT (INCLUDING FLOUR, IN TERMS OF GRAIN): Exports to the Orient from the United States, Canada and Australia, 1925-1928

Source and year	To Japan		To China		To Hongkong	Total wheat and wheat flour
	Wheat	Flour	Wheat	Flour	Flour	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
UNITED STATES						
Year ended June 30						
1925	4,100	253	374	608	2,114	7,449
1926	5,178	100	17	2,299	1,742	9,336
1927	7,336	133	1,098	1,965	2,906	13,438
July-April						
1927	7,084	123	1,098	1,729	2,178	12,212
1928	6,120	82	---	3,442	4,379	14,023
CANADA						
Year ended June 30						
1925	3,433	84	200	842	674	5,233
1926	13,026	448	7,690	5,255	771	27,190
1927	7,626	665	3,943	2,353	666	15,253
July-December						
1926	2,442	149	501	422	157	3,671
1927	1,865	338	---	433	552	3,188
AUSTRALIA						
Year ended June 30						
1925	7,019	7	---	10	608	7,644
1926	10,862	34	936	6	446	12,334
1927	4,299	33	---	14	182	4,528
	Wheat, including flour					
TOTAL						
Year ended June 30						
1925	14,896		2,034		3,396	20,326
1926	29,648		16,253		2,959	48,860
1927	20,093		9,373		3,754	33,219
Months reported a/						
1926-27	9,798		3,750		2,335	15,883
1927-28	8,405		3,875		4,931	17,211

Compiled from Monthly Summary of Foreign Commerce of the United States and official records of the Bureau of Foreign and Domestic Commerce; Monthly Trade of Canada, and Quarterly Summary of Australian Statistics. Wheat flour converted from barrels to bushels at 4.7 for the United States and 4.5 for Canada and Australia.

a/ Ten months for United States, six months for Canada; no months reported for Australia.

WHEAT: Production, preliminary estimates and final official reports, 1923-1927

Country	1924		1925		1926		1927	
	July	Latest official	July a/	Latest official	July a/	Latest official	U.S.D.A. estimate a/	Latest official
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States	740	864	680	676	767	831	854	872
Canada	almost av.	262	365	395	349	407	325	440
Mexico	--	10	--	9	--	10	11	12
Total North America	740	864	1,045	1,071	1,116	1,238	1,190	1,324
Eng.&Wales	backward	51		51	better than 1925	49	(49)	53
Scotland	backward	2	average	2	average	2	(2)	2
Ireland	backward	1		1	good	1	(1)	2
Norway	below av.	b/	97% normal	1	above av.	1		1
Sweden	below av.	7		13		12	(12)	11
Denmark	fair	6	above av.	10		9	9	10
Netherlands	fair	5	5	6	5	5	6	5
Belgium		13		14	average	13	14	14
Luxemburg	below av.	b/		1		1		1
France	above av.	281	(297)	330	a/ (257) below 1925	232	a/(275)	284
			good					
Spain	136	122	129	163	157	147	143	145
Portugal	fair	9		12		9	(8)	11
Italy	176	170	224	241	below 1925	221	(220)	196
Switzerland	average	3		4		6	6	6
Germany	below av.	89	d/ (105) above av.	118	d/ (104) below 1925	95	d/(116)	121
Austria	above av.	8	above av.	11	" "	9	(10)	10
Czechoslovakia	average	32		39	" "	34	(37)	40
Hungary	62	52	55	72	65	75	73	77
Yugoslavia	good	58	excellent	79	good	71	(73)	55
Greece		8	above last year	11	11	11	(13)	13
Bulgaria	38	25	44	41	42	41	45	47
Rumania	favorable	70	Good ex. Bessarabia	105	129	111	108	97
Poland	above av.	32	47	58	55	47	47	54
Lithuania	average	3	favorable	5	below av.	4	(5)	5
Latvia	below av.	2	favorable	2		2		3
Estonia	below av.	1		1	poor	1		1
Finland	below av.	1		1		1		1
Europe comparable to 1st est.	412	369	d/ 906	1,029	d/ 825	764	1,272	1,258
Est.European tot.ex. Russia	1,100	1,051		1,390		1,208	1,277	1,262

Continued -

WHEAT: Production, preliminary estimates and final official reports, 1923-1927 cont'd.

Country	1924		1925		1926		1927	
	July	Latest official	July a/	Latest official	July a/	Latest official	U.S.D.A. estimate a/	Latest official
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Morocco	28	29	20	24	23	16	24	25
Algeria	drought	17	33	33	30	24	(20)	28
Tunis	drought	5	9	12	11	13	6	8
Egypt	below av.	34	38	36		37	(38)	44
Total N. Africa comparable to 1st est.	28	29	100	105	64	53	88	105
Cyprus		2		2		2		2
India	362	361	323	331	324	325	330	334
Japan		25		30		28	(28)	29
Chosen		10		11	11	11	10	9
Total Asia comparable to 1st est.	362	361	323	331	334	336	368	372
N.Hemis. comparable to 1st est.	1,542	1,623	d/ 2,374	2,536	d/ 2,339	2,391	2,918	3,059
Est.N.Hemis. total	2,700	2,731		3,026		2,981		3,136

a/ Figures in parenthesis are preliminary forecasts made in U. S. D. A. on the basis of acreage and condition reports.

b/ Less than 500,000 bushels. c/ Assuming acreage equal to previous year.

d/ Includes forecasts of production on basis of condition reports for France and Germany.

WHEAT: Production 1924 to 1927 and early forecasts and estimates for 1928

Country	1924	1925	1926	1927	1928 Forecast	Remarks
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	
United States winter only	592	402	627	552	512	U.S.Department of Agriculture official forecast.
Canada winter only	22	23	22	22	(17)	Forecast from May 1 condition. a/
Mexico	10	9	10	12	11	Official forecast.
France	231	330	232	284	(239)	Correlation from May 1 condition. b/
India	361	331	325	334	294	Official estimate.
Chosen	10	11	11	9	9	Official forecast.
Total above coun.	1,276	1,106	1,227	1,213	1,082	
Est.total N.Hemis. production excl. Russia and China	2,731	3,026	2,981	3,136		
Est.total world production excl. Russia and China	3,141	3,389	3,421	3,539		

a/ Condition as of May 1 was expressed at 88 per cent of the average yield for the period 1918-1927 which was 24.7. Average yield for the past ten years was 24.7 bushels to the acre. Winter acreage for the 1928 harvest is 796,000 acres.

b/ Based on correlation of May 1 condition and yield per acre for the period 1902-1925.

BREAD GRAINS: Acreage, average 1909-1913, annual 1925-1928

Crop and country reporting in 1928 a/	Average 1909-1913	1925	1926	1927	1928	Per cent 1928 is of 1927
WHEAT	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
Canada b/	1,019	776	844	853	796	93.3
United States b/	28,382	31,234	36,987	37,872	35,858	94.7
Mexico	c/ 2,174	1,161	1,286	1,227	1,229	100.2
North America (3)	31,575	33,171	38,117	39,952	37,883	94.8
Belgium b/	404	375	337	385	423	109.9
Luxemburg	27	27	32	36	35	97.2
France	16,500	13,872	12,971	13,208	12,774	96.7
Spain	9,547	10,722	10,775	10,826	10,626	98.2
Italy	11,793	11,672	12,145	12,296	12,361	100.5
Czechoslovakia	1,718	1,526	3,541	1,579	1,609	101.9
Yugoslavia b/	3,982	4,148	4,013	4,267	4,478	104.9
Bulgaria	2,409	2,546	2,617	2,749	2,818	102.5
Rumania b/	d/ 9,515	7,236	7,606	7,017	6,983	99.5
Poland b/	3,350	2,490	2,505	2,599	2,693	103.6
Lithuania b/	211	135	148	173	272	157.2
Finland b/	8	23	23	22	22	100.0
Total Europe (12)	59,464	54,820	56,713	55,157	55,094	99.9
Morocco	(1,700)	2,621	2,558	2,273	2,348	103.3
Algeria	3,521	3,608	3,741	3,469	3,311	95.4
Tunis	1,310	1,457	1,658	1,399	1,730	123.7
Total Africa (3)	6,531	7,686	7,957	7,141	7,389	103.5
Greater Lebanon	(130)	136	129	136	124	91.2
India	29,224	31,778	30,471	31,272	32,018	102.4
Total Asia (2)	29,354	31,914	30,600	31,408	32,142	102.3
Total above coun.(20)	126,924	127,591	134,387	133,658	132,508	99.1
Russia b/	---	18,808	21,144	27,057	27,794	102.7
Est. world total ex. Russia and China	204,200	227,700	231,000	234,500		
RYE						
Canada b/	117	523	601	568	518	91.2
United States b/	2,236	3,974	3,578	3,670	3,562	97.1
North America (2)	2,353	4,497	4,179	4,238	4,080	96.3
Belgium	672	571	558	573	568	99.1
Luxemburg	26	16	17	17	17	100.0
France	3,095	2,147	1,958	1,970	1,945	98.7
Spain	1,988	1,846	1,865	1,818	2,083	114.6
Italy	346	311	293	307	297	96.7
Czechoslovakia	2,605	2,091	2,054	2,012	2,048	101.8
Yugoslavia b/	732	413	406	425	439	103.3
Bulgaria	542	454	462	463	450	97.2
Rumania b/	1,286	586	673	638	626	98.1

Continued

BREAD GRAINS: Acreage, average 1909-1913, annual 1925-1928, cont'd.

Crop and country reporting in 1928 a/	Average 1909-1913	1925	1926	1927	1928	Per cent 1928 is of 1927
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Per cent
RYE, CONTINUED						
Poland b/	12,127	12,044	11,864	12,008	12,549	104.5
Lithuania b/	1,749	1,339	1,108	1,236	1,161	93.9
Latvia b/	888	659	621	633	627	99.1
Finland	589	579	565	568	568	100.0
Total Europe (13)	26,645	23,056	22,449	22,668	23,378	103.1
Total above coun.(15)	28,998	27,553	26,628	26,906	27,458	102.1
Russia b/	---	67,609	66,646	68,297	67,423	98.7
Est.world total excl. Russia and China	48,300	46,600	45,500	46,100		

a/ Figures in parenthesis indicate number of countries included.

b/ Winter acreage only.

c/ Two-year average

d/ Four-year average

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July 10, 1928

FOREIGN NEWS ON WHEAT

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CHINESE WHEAT PRODUCTION AND MARKET FOR FOREIGN WHEAT

The wheat crop which was harvested in June in the lower Yangtze Valley in China is considered by the milling trade as very good, both as to quality and quantity, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus at Shanghai. Although no information has been received as yet on the crop in North China proper or Manchuria, the lower Yangtze Valley is important in supplying the flour mills in and near Shanghai, the largest flour milling center in China, and thus is the wheat with which United States, Canadian and Australian wheats compete in supplying the Shanghai mills. Millers believe it is the largest crop in a number of years. Receipts at Shanghai are large and wheat prices have dropped to the lowest level since 1924, both in local currency and in gold prices. Domestic wheat was selling at Shanghai for immediate delivery at $1.07 a bushel on July 2, and $1.19 for September delivery, compared with $1.60 for American Western Red No. 2, $1.47 for Canadian No. 3, and $1.59 for Australian, all for July shipment. The higher milling ratio of United States and Canadian wheat compared with the native allows some importation even when the foreign wheats are somewhat higher than the native, but the margin is now too high to encourage importation even when the milling ratio is taken into consideration. Usually China imports very little if any foreign wheat in the season when domestic wheat is coming on the market in large quantities. With ample supplies of low priced native wheat available, there is no prospect of an interest in foreign wheat for the next two or three months at least. All the local mills are running at full capacity.

Demand for domestic flour is reported as slightly weak, because of large stocks in North China, and local stocks are accumulating somewhat. Local flour prices per bag of 49 pounds in Shanghai were equivalent to $1.65 spot on July 2, or 2.5 Shanghai Taels, while flour for September delivery was selling at $1.38, or 2.10 Shanghai Taels. In the past few years demand for flour has dropped off when it reached 2.50 Taels, and it has not gone above that price, as explained in Foreign Service release, WH-9, February 9, 1928, on the Foreign Wheat Trade in Shanghai.

The Nanking government declared a tax of 10 cents a bag Mexican, or equivalent to 4.75 cents United States currency, on machine milled flour. At present the tax is being applied only in three provinces nearest to Shanghai, but there is a possibility of extending it to North and South China at a later date. The tax is to be collected from the local mills with the understanding that irregular interior taxes on wheat en route to Shanghai are to be abolished. The mill properties are agreeable

to the measure as it standardizes taxation and the net effect is no substantial increase in taxes. The tax applies also to imports of foreign flour and is collected through the cooperation of a unit of the customs administration. Attempts by the same method of collecting similar special taxes on tobacco and wines contrary to tariff treaties have in the past been effectively resisted through action of the Consulate only, but in view of the relatively small imports of foreign flour into Shanghai, the small amount of the tax and other considerations, it is believed that this tax is more likely to be enforced.

The wheat crop in the Honan-Shantung district was poor due to drought in May, but investigation showed that most of that wheat is for home milling and very little of it in recent years has moved out of the interior to the machine mills on the coast, and thus does not compete with foreign wheats.

Prices of wheat and flour on July 2 are given below in Shanghai Taels and in United States currency together with June and July average monthly prices in previous years for comparison.

Prices of domestic and United States wheat and of flour at Shanghai, average for July 1922-1927 and July 2, 1928 in United States currency and Shanghai Taels

Year	In U.S. currency			In Shanghai Taels		
	Value wheat per bushel	U.S. western Red No. 2 c.i.f. Shanghai	Flour per 49 lb. sack, Shanghai	Native wheat per 1/2 picul	U.S. western Red No. 2 c.i.f. Shanghai	Flour per 49 lb. sack, Shanghai
	Dollars	Dollars	Dollars	Taels	Taels	Taels
July average						
1922	1.22	1.24	1.43	1.76	1.77	1.86
1923	1.14	1.14	1.43	1.83	1.81	2.07
1924	1.04	1.42	1.29	1.62	2.56	1.82
1925	1.37	1.55	1.75	2.00	2.25	2.30
1926	1.34	1.52	1.55	2.10	2.37	2.18
1927	1.13	1.46	1.39	2.02	2.47	2.24
July 2 1928						
Immediate delivery	1.07	a/ 1.60	1.65	1.80	a/ 2.70	2.50
September delivery	1.19		1.38	2.00		2.10

a/ For July shipment. The corresponding price of Canadian No. 3 is 2.48 Taels per 1/2 picul or $1.47 a bushel, and for Australian is 2.68 Taels per 1/2 picul or $1.59 a bushel.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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WH-20

July 18, 1928

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to July 14,1928.)

JUL 21 1928
U. S. Department of Agriculture

The world's wheat supply for the season July 1, 1928, to June 30, 1929, now seems likely to be no larger than, if as large as the supply for last season, according to the Foreign Service of the Bureau of Agricultural Economics.

Estimates and conditions reported to date indicate a Northern Hemisphere crop outside of Canada, Russia, and China of about 2,532,000,000 bushels, as compared with 2,642,000,000 bushels produced in the same countries last year. The biggest factor in this reduction in the prospect for the Northern Hemisphere crop is the indicated reduction of 73,000,000 bushels in the crop of the United States. Canada has a larger acreage and conditions are better than at this time last year but the size of the crop is still dependent largely upon weather conditions. Russia probably will have little, if any, wheat for export.

Favorable conditions in the Southern Hemisphere may offset to some extent the reduction in the Northern Hemisphere crop. Conditions are better in Australia than last year. Argentina has also had favorable conditions for seeding wheat.

The quality of the crops must be reckoned with as a factor in supply but it is too early in the season to determine how the quality of the crops now being harvested will compare with last year when the French, German and Canadian crops were of relatively poor quality.

Accounted for stocks of old wheat indicated a small and insignificant increase in the carryover on July 1, as compared with July 1, 1927. Smaller supplies in Argentina and Australia largely offset increases in the United States and Canada. European stocks also appear to be generally low and in some countries possibly less than last year.

The demand for wheat during the season July 1, 1928, to June 30, 1929, is likely to be greater than in the past season. European import

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Note - Returns from the questionnaire accompanying the last issue will be summarized with the next regular monthly issue of "Foreign News on Wheat". All of those who have not returned the questionnaire will be dropped from the mailing list beginning with the next issue.

requirements for Julywill probably be at least as large as for July last season on account of the small supplies on hand for use before the new crops become available. It now seems that the European wheat harvest outside of Russia will be no larger than last year and that the rye crop will be smaller. The demand for wheat will, therefore, be increased not only by the growth in population but by the continuation of the tendency to shift from other bread grains to wheat in Europe and elsewhere.

The indicated reduction of 73,000,000 bushels in the wheat supply of the United States affects mostly the outlook for marketing hard red spring wheat and soft red winter. The July 1 indications of a reduction of about 60,000,000 bushels in the hard red spring wheat crop of the United States probably brings the supply of this wheat below the domestic requirements of the United States. The same report indicates a soft red winter crop of only about 120,000,000 bushels, as compared with 180,000,000 bushels last year, which was less than our usual domestic requirements. The hard red winter, durum, and white wheat crops, on the other hand, appear to be larger than last year and will continue upon an export basis.

Prospects for the 1928 crop

Estimates and forecasts of wheat production in 15 countries reporting to date amount to 1,885 million bushels compared with 2,041 million in the same areas last year. These countries include the United States, Mexico, Spain, Hungary, Germany, France, Bulgaria, Netherlands, Finland, Poland, Japan, Algeria, Tunis, India and Chosen. Adding to these figures, the rough indications of production in other countries on the basis of latest reports as to the condition of the growing crop indicates a Northern Hemisphere crop exclusive of Canada, Russia and China of roughly about 2,532 million bushels compared with 2,642 million last year. The United States, North Europe, Spain and India appear to have smaller crops than last year which are partially offset by probable increases in Southern Europe aside from Spain, and North Africa.

Canada

It is still too early for an accurate indication of the Canadian crop. Total wheat area this year is estimated at 23,406,000 acres of which 22,610,000 acres are spring wheat and 796,000 winter wheat. This is an increase of 4 per cent over last year's total of 22,460,000 acres. The condition of spring wheat on June 30 expressed in terms of a percentage, 100 per cent equaling the average yield of the preceding ten years, is 103 for spring wheat compared with 100 last year, 92 for winter wheat, compared with 97 last year and 102 for all wheat compared with 100 last year. The Dominion Bureau of Statistics has not translated these condition figures into terms of probable yield this year. The average yield of winter wheat for the past ten years has been 24.7 bushels to the acre and spring wheat 15.5 bushels. Conditions up to July 1 were generally favorable in the prairie provinces especially Manitoba and Alberta.

Reports received by the United States Weather Bureau between July 1 and July 10 have mentioned heavy rain in Northern Alberta and Manitoba, elsewhere scattered but locally heavy, indicating an abundance of moisture for present needs and in some cases possibly an excess. The last report states that early-sown wheat was headed out by about the first of July and all wheat was well advanced on fields fallowed last summer, but growth was uneven in some districts on fields plowed this spring and where sown on last year's stubble. Plants stooled or tillered well during cool weather and have been growing rapidly sinc July 17. No rust or insects were reported to the Weather Bureau, but there was some damage in wet fields in Manitoba.

Europe

Estimates, forecasts and condition reports for European countries up to July 14 point to a total European crop exclusive of Russia, of about 1,255 million bushels in 1928 provided average conditions prevail the balance of the season compared with 1,260 million last year. This total for 1928 includes indications for France on the basis of conditions up to May 1, and for Germany and Poland on conditions up to July 1. Conditions in France have improved slightly since that time but the amount of the improvement is not known and thus no change has been made in the figure. The German indication is on the assumption of an acreage equal to that of last year. All reports for Italy have been favorable this year with the exception of recent statements of deterioration in southern Italy where durum is grown and some drought in Northern Italy. Conditions have been generally favorable in the Danubian countries with the exception of southern Bessarabia, where it is reported to be poor. Bessarabia produces roughly about a fifth of the Rumanian crop.

Russia

For Russia the situation is uncertain as usual, but present indications are for no exportable surplus of wheat. Russian officials state that the cereal crop, with the exception of barley, will be smaller this year than last in southern and central Russia, although considerably larger in the eastern region, particularly Siberia and Kasakstan. This distribution is expected to cause considerable difficulties in procuring and transportation, and is not favorable to exports. Although the total acreage in spring cereals in R.S.F.S.R. (Russia proper) is reported as 11 per cent larger than last year, the spring acreage sown to bread grains shows some decrease. The winter bread grain acreage sown was previously reported to have been smaller than last year, aside from winter killing.

It should be remembered that there are many other factors besides the size of the crop which are instrumental in determining the amount of grain procurements and of exports. Past experience seems to indicate that such factors as the geographical distribution, the relation of grain prices to other prices, particularly the relation of the prices of grains to industrial crops and manufactured goods, the availability of a sufficient supply of manufactured goods for the peasants, the financial policy of the government, the efficiency of the procuring agencies, all influence the size of procurements.

North Africa

The North African crop is now expected to be about 114 million bushels compared with 106 million last year. About 70 per cent of the total production in Algeria, Tunisia and Morocco in the years 1924-1926 has been durum wheat. It seems probable that there has been some increase in durum production along with the indicated increase in total production. There has often been considerable revision of the preliminary estimates of these countries, however, and final returns may be considerably different. Consul Leland L. Smith at Tunis reports under the date of June 15 that the heavy rainfall experienced during the winter has been disastrous for the lowland crops and from 20 to 30 per cent losses are being registered from "rust" which is a malady almost unknown in that usually superdry country. Unfortunately, rust is more prevalent in the best producing areas of the country with the result that there will be considerable crop shrinkage. The best crop in the history of the country was expected, but it would appear as if only a good average would be attained.

India and Japan

Production in India is placed at 294 million bushels according to the May estimate compared with 334 million last year. There is seldom any large revision of the May estimate. An estimate for 38 of the 47 provinces of Japan indicates some increase in the total crop of that country.

China

Little is known of the crop in China as a whole. Two regions are of special interest to foreign surplus wheat producers; Shanghai and Manchuria. Shanghai is the big milling center which draws wheat from the United States, Canada and Australia to supplement the supply from the comparatively small region around that city from which it is profitable to ship domestic grain. Manchuria takes flour from foreign countries as well as Shanghai in years of small production to supple-

ment the domestic supply. In the lower Yangtze Valley which is an important source of domestic supply for Shanghai the crop is good and prices low, and there is no likelihood of a demand for foreign wheat for a few months at least. The crop is not so good in North China proper, - in the Honan-Shantung region. No indication of the present crop has been received from Manchuria. It is reported, however, that stocks are still plentiful from old crop and from imports.

Southern Hemisphere

The Southern Hemisphere crop is still going into the ground. Early reports of seeding conditions have been favorable in both Argentina and Australia, and the present prospect is for an increased acreage in both countries. Yields in Australia were below average last year, amounting to only ten bushels to the acre, the lowest in the past ten years, and an average yield even without an increase in acreage would increase the size of the present harvest. In Argentina, on the other hand, last year's yield per acre was slightly above the average, amounting to 12.1 bushels to the acre, according to latest estimates compared with an average of 11.7 bushels in the past five years and 11.8 in the past ten years. Unusually warm weather in the past few weeks may have caused a heavier growth than is desired in the winter season.

Rye and Potatoes

Forecasts and estimates of European rye production in five countries received to date total 90 million bushels compared with 82 million in the same countries last year. Rough indications of probable production have been made on the basis of condition reports for Germany and Poland which together produce nearly three-fifths of the total European rye crop. The German figure is on the assumption of an acreage equal to last year's. Adding these estimates indicates a crop of 495 million bushels in 7 countries compared with 575 in those countries last year when they produced about 65 per cent of the world total crop exclusive of Russia and China. Since rye is used extensively in Europe as a bread grain, this indicated decrease in rye production is expected to result in an increased demand for wheat.

European potato conditions are uncertain. In Germany, Europe's most important potato producer the condition of the crop on July 1 was below average, whereas a year ago it was above average.

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928, prel. forecasts and estimates
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA					
Canada	197,119	395,475	407,136	440,025	cond. better than last year
United States, winter	690,108	401,734	627,433	553,288	543,782
United States, spring		274,695	203,607	319,307	256,155
Mexico	a/ 11,481	9,440	10,333	11,519	11,025
Total, excl. Canada	701,589	685,869	841,373	884,114	810,962
EUROPE					
England and Wales	55,770	50,773	48,683	53,116	(53,000)
Scotland	2,273	2,016	2,091	2,427	(2,000)
North Ireland	( )	129	226	212	(200)
Irish Free State	(1,597)	751	1,155	1,421	(1,400)
Norway	306	490	586	605	(600)
Sweden	8,103	13,359	12,153	11,298	(11,300)
Denmark	6,322	9,748	8,767	9,443	(9,000)
Netherlands	4,976	5,577	5,487	5,096	6,026
Belgium	15,199	14,477	12,801	16,277	(17,200)
Luxemburg	615	553	622	743	(740)
France	325,644	330,844	231,767	276,128	b/ (240,000)
Spain	130,446	162,592	146,599	144,825	141,094
Portugal	c/ 11,850	12,090	8,560	11,439	(11,400)
Italy	184,393	240,845	220,644	195,808	(225,000)
Switzerland	3,314	3,516	4,027	4,336	(4,300)
Germany	151,274	118,213	95,429	120,522	d/ (110,000)
Austria	12,813	10,671	9,438	10,360	(10,000)
Czechoslovakia	37,879	39,309	34,130	40,385	(39,000)
Hungary	71,493	71,675	74,909	76,933	84,399
Yugoslavia	62,024	78,646	71,427	56,568	(70,000)
Greece	c/ 16,273	11,222	11,171	13,300	(12,000)
Malta	196	274	310	294	300
Bulgaria	37,823	41,360	36,544	47,346	51,110
Rumania	a/ 158,672	104,741	110,883	96,797	(106,000)
Poland	63,675	57,797	47,080	54,230	d/ (40,000)
Lithuania	3,264	5,285	4,180	5,273	(5,500)
Latvia	1,475	2,165	1,860	2,636	(2,000)
Estonia	364	791	844	1,079	(1,000)
Finland	137	929	924	813	845
Total	1,348,170	1,390,838	1,203,297	1,259,710	1,255,000
AFRICA					
Morocco	(17,000)	23,872	16,174	24,802	(28,000)
Algeria	35,161	32,724	23,551	28,323	34,539

Continued -

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928, cont'd.

Country	Average 1909-1913	1925	1926	1927	1928,prel. forecasts and estimates
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
AFRICA, CONT'D.					
Tunisia	6,224	11,758	13,044	8,267	11,942
Egypt	33,662	36,248	37,207	44,346	(40,000)
Total	92,047	104,602	89,976	105,738	114,000
ASIA					
Palestine	303	3,714	3,638	3,541	(3,500)
Cyprus	2,216	2,079	1,624	2,390	(2,400)
India	351,841	330,997	324,651	333,797	294,448
Japan	25,088	29,541	28,430	29,248	e/ 30,240
Chosen	6,893	10,509	10,517	9,042	8,524
Syria and Lebanon	(10,000)	10,658	13,940	14,582	(13,000)
Total	396,346	387,498	382,800	392,600	352,000
Total above N.H. coun. excl. Canada	2,538,152	2,568,807	2,517,446	2,642,162	2,532,000
Est. N.Hemis. total excl. Russia and China	2,759,000	3,026,000	2,981,000	3,136,000	
Russia	758,941	713,000	820,000	750,000	
SOUTHERN HEMISPHERE					
Brazil	(1,500)	4,145	4,589	4,189	
Chile	20,062	26,674	23,286	33,524	
Uruguay	6,517	10,024	10,238	13,887	
Argentina	147,059	191,141	220,827	239,162	incr. area expected
Union of South Africa	6,034	7,844	9,029	6,605	
Australia	90,497	114,504	160,587	109,000	incr. area expected
New Zealand	6,925	4,617	7,952	9,200	
Total (7)	278,594	358,949	436,508	415,567	
Total N.and S.Hemis. coun. excl. Canada and Russia	2,816,746	2,927,756	2,953,954	3,057,729	
Est. world total excl. Russia and China	3,041,000	3,389,000	3,421,000	3,539,000	

a/ Four-year average.

b/ Forecast on the basis of a correlation of May 1 conditions in past years with final reports of yield per acre, assuming average conditions, the balance of the year conditions are reported to have improved some in May and June so the actual yield may be expected to be higher than that here indicated but as yet we have no reliable measure of the amount of this improvement.

c/ One year only.

d/ Forecast on the basis of July 1 conditions.

e/ Production in 38 of 47 provinces.

RYE: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Av. 1909-13 present boundaries	1925	1926	1927	1928, preliminary
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	36,0033	46,456	40,795	58,800	39,300
Germany	368,337	317,418	252,187	269,025	a/(245,000)
Poland	218,943	257,249	197,289	223,939	b/(160,000)
Hungary	31,377	32,524	31,416	22,365	29,880
Finland	10,490	13,683	11,908	11,463	10,944
Spain	27,656	29,880	23,504	26,515	26,376
Netherlands	16,422	16,396	13,644	13,694	13,582
Bulgaria	8,345	7,154	7,133	8,243	9,015
Total above European countries	681,550	674,304	5377081	575,144	494,800
Total U.S. and 7 European coun.	717,643	720,760	577,876	633,944	534,100
Est. world total, excl. Russia and China	1,025,000	1,012,000	812,000	887,000	

a/ Rough indication on the basis of the officially reported condition on July 1, assuming an acreage equal to last year. The official report of acreage will not be available until September.

b/ Rough indication on the basis of the officially reported condition on June 1, and officially reported acreage. There has been some improvement in conditions during June, but the crop is still reported to be in poor condition.

World wheat stocks, July 1, 1928

The world wheat stocks accounted for to date, as of July 1, 1928, are a little larger than on the corresponding date last year. The increases are in the visible supplies of the United States and Canada which are only partially offset by decreases in the farm reserves of the United States and estimated supplies available for export and carryover in Argentina and Australia. It is evident that the increases in the visible supplies in Canada and the United States are due largely to the delay in movement of spring wheat through the Great Lakes to the Atlantic coast ports. The increased visible supplies at Buffalo and Duluth approximately account for the increase of the United States. The holdings by mills and country elevators are still to be reported and considering the fact that farm reserves of the United States are smaller than a year ago and that the increase in visible supply is mainly in northern points, it seems likely that the mill and country elevator stocks in the United States are somewhat smaller than a year ago.

We have no definite measure of supplies of old wheat in importing countries. According to Agricultural Commissioner Steere, stocks of native wheat in continental European countries were no longer of any great importance and in some countries they were exhausted. Stocks of imported grain in consumers' hands and in trade channels close to the consumer were apparently light. Supplies of old wheat in the Balkan countries apparently were about exhausted excepting in Hungary.

WHEAT: Supply and stocks in principal exporting countries and afloat, year beginning July 1, 1923-1928

Country and item	July 1, 1923	July 1, 1924	July 1, 1925	July 1, 1926	July 1, 1927	July 1, 1928
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
United States:						
Visible supply a/	29	39	29	16	26	42
Farm stocks (old wheat)	36	31	29	21	27	23
Canada:						
Visible supply a/	25	45	37	40	49	99
Argentina b/	44	55	47	49	c/ 58	d/ 42
Australia b/	35	28	18	17	e/ 33	f/ 17
United Kingdom:						
Port stocks	5	8	9	4	8	9
Afloat to United Kingdom	16	18	13	16	14	12
Continent, afloat to	26	18	13	22	21	22
Afloat for orders	8	18	17	11	16	16
Total g/	224	260	212	196	252	g/282

a/ Bradstreet's visible supply. Reports of visible supply domestic wheat in the United States by this Bureau as of June 30 are 39 million bushels this year compared with 22 millions a year ago. Canadian wheat in the United States in bond amounted to 11 millions as compared with 7 millions last year. Bradstreet's figures are used in this table since the Bureau's figures are not available for previous years.

b/ Available for export and carryover. Cable information from Consuls and International Institute of Agriculture at Rome.

c/ Exportable surplus as of July 12, 1927 was officially reported at 52 million bushels. Exports from July 1 thru December 31, 1927 were 40 million plus 18 million bushels, totals 58 million bushels as actually available July 1, 1927.

d/ Exportable surplus as of July 12, 1928 was officially reported at 37,652,000 bushels. Export from July 1 through July 7 were unofficially reported at 2,646,000 bushels. Assuming exports through July 12 to be approximately 2,000,000 bushels gives an exportable surplus of 42 million bushels as of July 1.

e/ Exportable surplus of July 1, 1927 was reported at 28,000,000 bushels, but production of 160,587,000 bushels less 45,000,000 bushels home consumption less exports January-June 1927 gives a balance of 33,000,000 bushels available for export the balance of the year and carryover.

f/ Production of 109 million bushels plus a carryover of 4,000,000 bushelsless 45,000,000 home consumption less official reports of exports January-March 1928 and unofficial reports of weekly shipments from April 1 to June 30.

g/ Excludes United States stocks in country mills and elevators and Canadian farm stocks. The latest report of United States stocks in country mills and elevators, that of March 1, gave stocks there as 74,086,000 bushels compared with 85,765,000 the year before. The estimate as of July 1 will not be available until July 25.

International trade in wheat

If present prospects are borne out European importing countries will be in the market for as much or more wheat than last year. According to present prospects France, Germany and Poland will need to buy more wheat and Italy less, and the United Kingdom will take about the same as usual. A more definite analysis of the import needs of deficit countries and export surpluses will be presented next month.

Preliminary figures indicate that total exports of exporting countries, July 1, 1927, to June 30, 1928, amounted to 804 million bushels, as compared with about 847 million bushels in the 1926-27 season. Exports from the Northern Hemisphere surplus producing countries last year fell below the estimates made early in the season. In September we estimated that the exports from the Northern Hemisphere countries would probably fall between 600 and 675 million bushels. The preliminary figure is 544 million bushels. The difference is due largely to the fact that both the United States and Canada have increased stocks and apparently the United States increased her domestic consumption of wheat. The reduction in supplies from the Northern Hemisphere, however, was made up to a considerable extent from the Southern Hemisphere. It will be noticed that whereas the Northern Hemisphere exports were 66 million bushels short of the exports of the previous season, the Southern Hemisphere increased shipments by 14 million bushels. In January we estimated probable shipments from the Northern Hemisphere between 560 and 655 million bushels and from the Southern Hemisphere between 185 and 260 million bushels. The Southern Hemisphere shipped the maximum, whereas the Northern Hemisphere hardly reached the minimum figure. In January we estimated the probable shipments from all surplus producing countries between 800 and 850 million bushels, whereas the preliminary figure is 804 million bushels.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 to 1927-28

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28 prelim.
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	131,801:	254,601:	92,356:	205,896:	188,000
Canada	343,351:	194,198:	320,277:	304,540:	305,000
Russia	20,696:	559:	26,543:	49,202:	7,000
British India	18,340:	45,160:	6,727:	8,660:	12,000
Hungary	16,633:	14,601:	19,311:	21,142:	20,000
Rumania	a/ 5,787:	4,036:	8,278:	9,044:	5,000
Bulgaria	a/ 2,424:	(ab/1,620):	4,128:	2,234:	2,000
Yugoslavia	a/ 5,770:	9,570:	11,549:	10,216:	1,000
Algeria	a/ 8,777:	(b/- 310):	4,825:	(b/c/-545):	4,000
Total above N.H.coun.	553,579:	520,275:	493,994:	610,389:	544,000
Argentina	170,006:	125,079:	99,801:	139,790:	186,000
Australia	83,382:	124,109:	77,486:	96,584:	74,000
Total above S.H. coun.	253,388:	249,188:	177,287:	236,374:	260,000
Total all coun.listed:	806,965:	769,463:	671,281:	846,763:	804,000

a/ Year ended July 31. b/ Net imports. c/ Net imports, 10 months.

The wheat crop of the United States

July 1 conditions indicated a production of 800 million bushels of wheat in the United States, as compared with 873 million bushels last year and a five year average of 808 million bushels. The hard red winter and durum wheat crops appear to be larger than last year, while the production of other classes of wheat will be considerably smaller. Estimating the production of the different classes of wheat upon the basis of 1924 indications as to the kinds of wheat planted, it appears that the production of soft red winter wheat is about 120 million bushels, as compared with 180 million bushels last year and nearly 230 million bushels in 1926. The hard red spring wheat crop appears to be about the same size as in 1925 and nearly 45 million bushels less than last year.

WHEAT: United States production by classes, 1923-1928

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum a/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	831	121	229	360	48	73
1927	872	199	181	318	80	94
1928 (July)	800	155	122	368	82	74

These production estimates are based upon percentages of area by classes in 1924, supplemented by percentages in 1923.
a/ Crop estimates of four states plus 1924 indications in other states.

It appears that the United States will have an exportable surplus of hard red winter, durum, and white wheats. We exported about 75 million bushels of hard red winter wheat from the crop of 1926 when we had about the same supply as is indicated by the July crop report of this year. Probably somewhat more than the usual amount of hard red winter and white wheats will be retained in the country to make up in part the deficit of soft red winter wheat. From the white wheat crop of 1925, which was also about the same as indicated for this year, we exported about 16 million bushels. Our exports of durum will depend largely upon foreign demand for that wheat. Since the North African and Italian crops appear to be better than last year and Canada, where the production of durum is increasing, seems likely to have a good crop, the demand for durum seems likely to be limited as it was in the past year. The situation as it now appears suggests that the United States may export from 60 to 70 million bushels of hard red winter wheat, 10 to 15 million bushels of white, and about 20 million bushels of durum.

In the ten months ending with April of this year the United States exported about 64 million bushels of hard red winter, 50 million bushels of white, 22 million bushels of durum, 14 million bushels of soft red winter, and 7 million bushels of hard red spring. The export of soft red winter does not represent an exportable surplus of that wheat. Shipments were made early in the season before the shortage of the crop had made itself felt in a rise in prices considerably above the price of other classes of wheat. It will be noticed that out of an estimated supply of about 200 million bushels of hard red spring wheat we exported only about 7 million bushels in the ten months. A part of the supply, however, contributed to an increase in stocks. It is probable that about 10 million bushels of the increase in the visible supply of wheat in the United States is hard red spring. In the past five years only 1924 furnished any significant quantity for export. The production of that year was estimated at 192 million bushels and exports amounted to about 37 million bushels. The smaller exports from the 1927 crop suggests an increase in domestic requirements. In other years, 1925 and 1926 as also in 1923, hard red spring has sold upon the domestic market above the world market basis for a part of the year at least. From a study of the data for the past five years it appears that the United States could use annually about 175 million bushels of hard red spring wheat.

WHEAT: Exports from the United States, by classes and percentages, 1922-1927

Year	Exports					
	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total a/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1922 ..	17,046	41,837	58,891	23,243	13,945	154,951
1923 ..	3,152	16,546	26,002	13,395	19,698	78,793
1924 ..	37,143	31,278	107,520	7,820	11,729	195,490
1925 ..	3,159	30,331	10,742	2,528	16,429	63,189
1926 ..	1,562	21,875	75,000	31,250	26,563	156,250
1927 b/	6,806	21,780	63,979	13,613	29,948	136,126

a/ Totals reported by the Department of Commerce. Distribution by classes made on basis of inspections for export and Canadian inspection of United States wheat. b/ Ten months.

The soft red winter wheat crop appears to be about 60 million bushels less than the crop of 1927 which was considerably below the domestic requirements of the United States. This class of wheat has been short of domestic requirements in four out of the past five years, 1923, 1924, 1925 and 1927, and the 1928 crop is smaller than the crop of any of these years. The price significance of a short crop of soft red winter wheat is well illustrated by a comparison with the prices of the No. 2 grade of hard winter and red winter at St. Louis during the seasons 1926-27 and 1927-28. See table on following page.

WINTER WHEAT: Prices at St. Louis, 1926-27 and 1927-28

Month	No. 2 Hard winter		No. 2 red winter		Premium of No. 2 red winter over No. 2 hard winter	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cents	Cents	Cents	Cents	Cents	Cents
July	141	138	142	141	+ 1	+ 3
Aug.	136	138	134	142	- 2	+ 4
Sept. ...	139	132	136	142	- 3	+10
Oct.	143	130	140	145	- 3	+15
Nov.	141	131	136	141	- 5	+10
Dec.	141	133	137	144	- 4	+11
Jan.	142	135	138	151	- 4	+16
Feb.	139	134	135	156	- 4	+22
Mar.	138	140	130	169	- 8	+29
Apr.	137	157	129	196	- 8	+39
May	144	162	142	196	- 2	+34
June	147	150	150	179	+ 3	+29
Weighted average	140	138	138	149	- 2	+11

The soft red winter wheat crop of 1926 amounted to nearly 230 million bushels which provided a real export surplus. The wheat inspected for export from that crop amounted to 31 million bushels. The price of soft red winter wheat month by month from August to May of that season averaged from 2 to 8 cents below the average price of No. 2 hard winter at St. Louis. The season began and ended with No. 2 red winter above because in the seasons before and after the soft red

winter wheat crop was short. Both classes of wheat were upon an export basis through the season August to May, 1926-27. In the 1927-28 season the July prices of No. 2 soft red winter wheat averaged 3 cents above No. 2 hard winter. The price margins increased, reaching 39 cents in April and ending the season in June 29 cents above.

When supplies are limited and price high, probably other classes of wheat are substituted to some extent for soft red winter. We have no measure of the extent to which substitution takes place nor how far prices of soft red winter may rise above the prices of other classes of wheat.

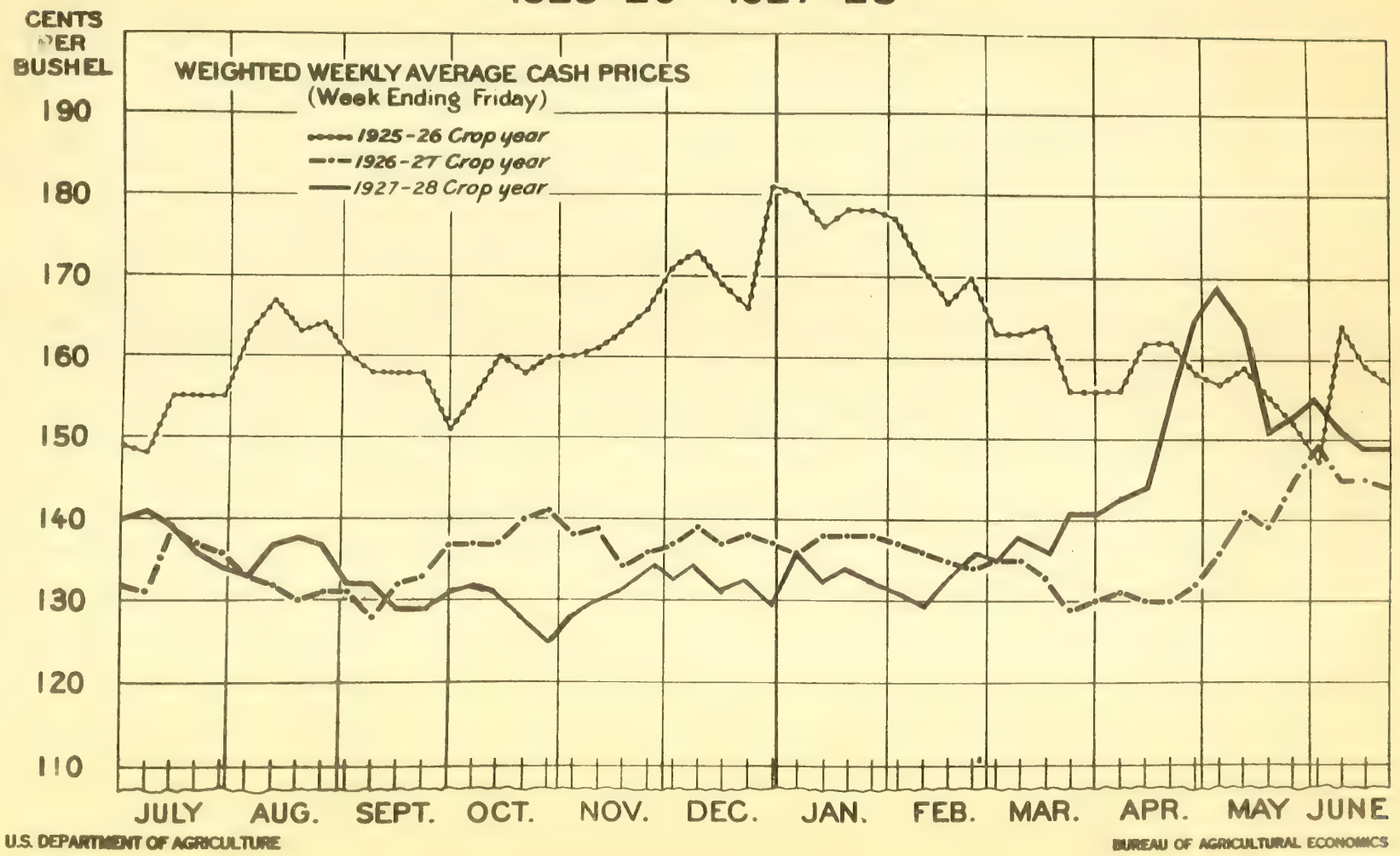
Since the soft red winter wheat in the United States will not be sufficient to meet our usual domestic requirements, farmers should not dump the new crop upon a falling market early in the season. They should remember last year's experience, when prices fell to relatively low points during the early marketing season then rose to high points at the end of the season after some of our soft red winter wheat had been exported. Although the substitution of other wheats may prevent the highest prices paid during the past year from being reached this year, the price level for the year should work out above the average for the past year.

Hard red spring wheat producers are also in a favorable situation and unless the crop turns out to be larger than now estimated they can expect a market for their wheat somewhat above that of the world market price level for a part of the year at least.

Even though the supply of hard red winter wheat is more than sufficient to meet our usual domestic requirements, farmers should observe the fact that the world's prospective supply at the present time is not any greater than it was last year and that the demand for wheat should be equal to or greater than last year. The weekly average price of No. 2 hard winter wheat at Kansas City started last season at 140 cents, fell to 125 cents in October, then rose to 169 cents for the first week in May and ended the season at 145 cents. The hard red winter wheat producers, should not dump their crop at low price levels.

WH-

WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1925-26—1927-28

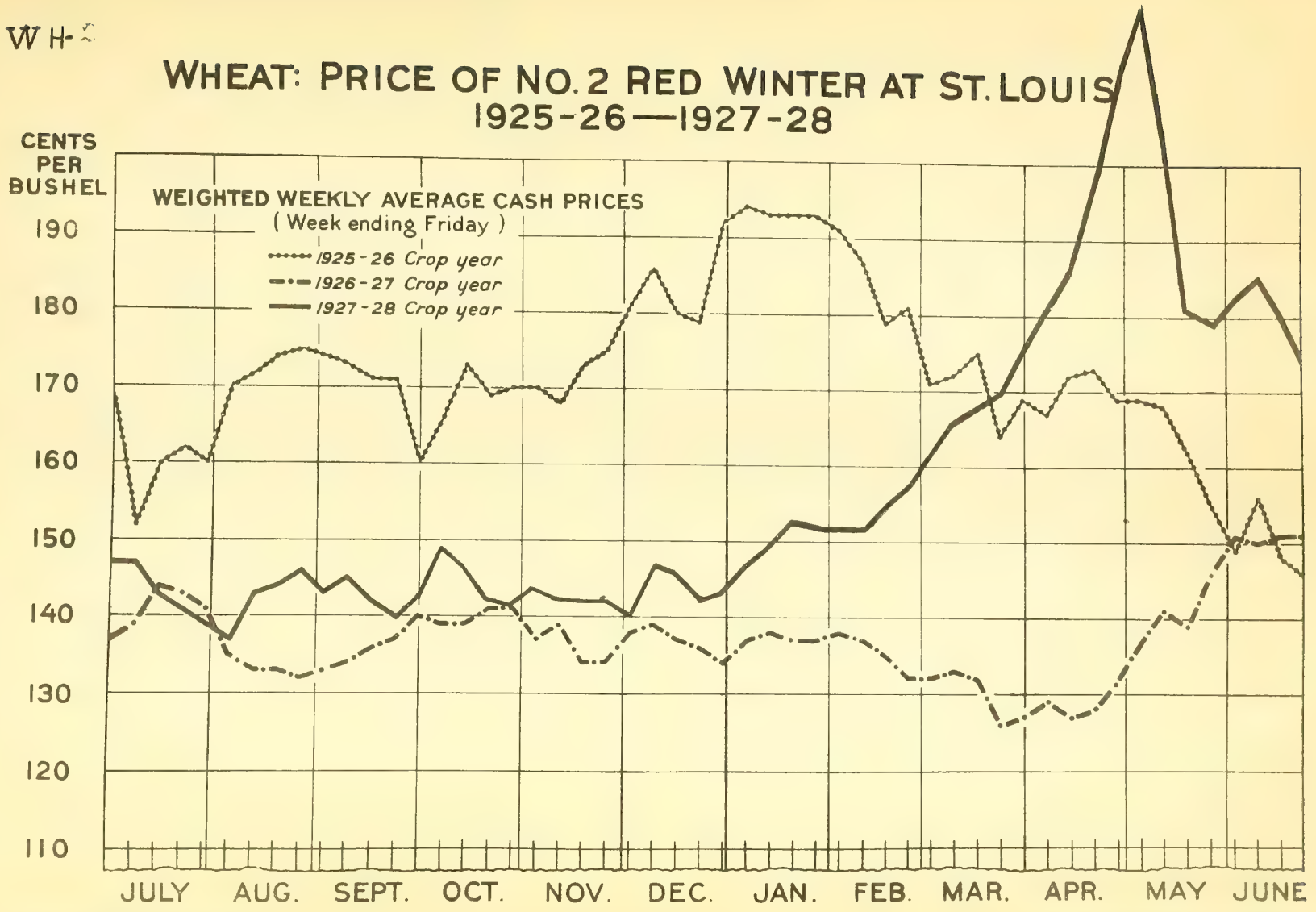


U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WH-2

WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS
1925-26—1927-28



U.S. DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

WHEAT: Weighted average cash prices at stated markets, July, 1926 to June, 1928

Month	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.n.spring Minneapolis		No. 2 amber durum Minneapolis		No. 1 red winter St. Louis	
	1926	1927	1926	1927	1926	1927	1926	1927	1926	1927
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	142	139	137	136	175	158	154	153	142	141
August	135	136	131	135	156	150	153	140	134	142
September	136	129	132	131	148	137	138	128	136	142
October	139	125	139	128	153	134	150	123	140	145
November	138	126	137	131	148	134	161	128	156	141
December	139	128	138	132	148	137	174	132	137	144
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
January	147	131	137	133	147	143	163	130	138	151
February	136	132	135	133	146	142	160	129	135	156
March	134	137	133	138	143	147	157	133	130	169
April	135	151	131	152	141	163	154	141	129	196
May	145	151	142	160	153	178	158	140	142	196
June	149	142	144	147	157	153	157	131	150	179

WHEAT: Closing prices of July futures, May 31 to July 12, 1927 and 1928

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
May 31	147	144	140	136	148	141	160	143	167	156	150	138
June 7	146	142	138	134	145	140	160	142	164	152	145	137
14	147	139	138	132	145	139	160	139	163	149	142	134
21	142	138	133	131	141	137	156	138	161	148	143	130
28	145	137	135	130	143	136	159	136	160	145	144	130
July 5	146	136	136	128	144	136	162	138	164	151	142	133
12	143		-		140		161		163		142	

a/ Prices are as of day previous to date of other market prices. August futures beginning June 28.

The continental European wheat situation during June a/

Continental wheat markets were rather quiet and the volume of business somewhat restricted during the first three weeks of June as a result of the weakness of world wheat prices. Nevertheless, there was a persistant undertone of strength, as Continental prices only partially followed the decline overseas, and during the last ten days of June and the first ten days of July revived Continental demand appears to have been an important factor in sustaining the world price level, this in spite of continued general improvement in European crop prospects.

Continental requirements of overseas wheat between now and the marketing of the new domestic crop are quite generally admitted to be fully comparable with those of last season. In some instances they may even be slightly larger, as it appears that several countries are depending more heavily than usual upon imported grain as the old crop year closes. Stocks of native wheat are no longer of any great importance; in some countries they are reported exhausted. At the same time stocks of imported grain in consumers' hands and in trade channels close to the consumer are apparently light, and there has been a declining tendency of stocks of imported grain recently. Buying has now been of a hand-to-mouth character for several weeks and the movement of grain in inland consumptive channels noticeably smaller. Stocks of grain at the ports on the whole have probably not changed to any great extent during the month, smaller arrivals apparently being offset by the lighter shipments inland. At a few ports a slight increase in supplies is indicated, but port holdings generally may be considered moderate.

Flour market reports have been generally of the same tenor as wheat market reports throughout the month. Complaints of slow demand have been common, especially in Germany, where the competitive situation of the industry is bad, but there has undoubtedly been a steady movement into consumptive channels. French, Dutch, Danubian and also Italian mills appear to have been doing relatively good business in spite of some unfavorable reports.

The most noticeable recent developments in actual takings of foreign grain are to be found in Italy and Germany. The former, after getting along most of the year with much lighter imports than last year in spite of a reduced crop, has finally come into the market on a large scale, imports during April amounting to 10,950,000 bushels and in May to 13,820,000 bushels, the latter the largest figure in any single month in recent years. German imports, on the other hand, are tending to run lighter than might have been expected. Czechoslovakia is now importing much more heavily than a year ago; Poland and France less extensively, but these countries may have to increase purchases before the new crops are available. This seems especially true for Poland, where the crop is much delayed and the outlook unfavorable.

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a/ Agricultural Commissioner Loyd V. Steere. Report of July 2 supplemented by cable of July 13.

Stocks of wheat and rye available for sale on German farms on June 15 were still considerably larger than a year ago, but nevertheless not large absolutely or as compared with what would normally be available for sale at this time of the year. Stocks of winter wheat, according to the German Agricultural Council, totaled 9,850,000 bushels compared with 4,154,000 last year, and winter rye stocks 15,900,000 as compared with 14,183,000 a year ago

A majority share of the very large German grain importing and milling concerns recently concentrated in the hands of the "Rentenbank Kreditanstalt" and the "Preussenkasse", both of which are largely under the influence of the government and farmer cooperatives. The purpose of the transaction is probably to attempt to regulate the grain market.

France

June reports from France indicate considerably more active business on the wheat market than in most other continental countries, with prices relatively resistant to world market declines. Trading appears, however, to have been largely in domestic grain, as imports continued rather light and tending to decline through May. As the crop is still delayed, it is possible, nevertheless, that France may have to purchase more heavily before the new supplies are available.

French crop reports have recently taken a much more optimistic turn, but it seems likely that the outturn will be below last year's, as north of the Loire conditions are not favorable. There is also some indication of poor quality.

Italy

Italian reports indicate a steady absorption of foreign grain during June, although markets were rather quiet and prices weak. Resales played an important part when large transactions developed. June imports amounted to 9,520,000 bushels and the net imports for the year are equal to those of 1926-27. Harvesting is now general throughout Italy and the new crop has promised to be one of the best until recently some reports have come in of damage from drought in the north, and some damage in the south.

Belgium and Holland

In spite of the uncertain tendency of the market and the general lack of confidence, Belgian grain markets are said to have done a fair volume of business during June, chiefly Manitobas and Plates. Following the 20th, trading was relatively brisk, France being a buyer of some importance at Antwerp. Dutch grain markets report dull business during most of June, but after the 20th domestic and Belgian mills and German mills in the Rhineland began to buy again following a long period out of the market. These mills will continue to have requirements to cover whenever prices are favorable. The demand for rye is reported unsatisfactory and sales small.

Danube Basin

Danube Basin markets have been relatively quiet during most of June, as far as actual business is concerned, but prices have been well sustained under the support of low stocks and a delayed new crop. At the close of the month there has been some revival of trading in old and new crop wheat as well as rye, with prices stiffening considerably. Reports on stocks of grain in public and cooperative warehouses in Hungary on June 15 show 1,870,000 bushels of wheat, 287,000 bushels of rye as compared with 2,540,000 and 490,000 on May 26 and 5,364,000 and 557,000 bushels respectively on April 21. Stocks of corn on June 15 were 1,[illegible]84,000 bushels as compared with 1,680,000 on May 26.

Crop conditions in the Danube Basin seem good on the whole, in spite of English reports indicating irregularity in the Balkans. Yugoslavia and Bulgaria have experienced some hail and insect damage, but report that they are going to have rather good grain crops notwithstanding. Reports from Rumania speak of the best outlook since the war in Rumania proper for both winter and spring grain, although admitting less promising prospects in Bessarabia. These reports must be discounted considerably, but they can be accepted as indicative of favorable conditions. Hungary also expects larger yields of both wheat and rye than she had last year, and Czechoslovakia and Austria report above average prospects in spite of considerable frost damage, the latter country from 10 - 20 per cent according to some sources.

Poland

Polish grain markets report quiet business and weak prices during June, although farmers' deliveries have continued small. Poland is said to have imported considerable grain through Danzig in May and it seems probable that she will have further requirements before the new crop. The condition of Polish grain crops remains unfavorable. Only very favorable weather from now on will bring anything like a fair crop, if available information is to be believed. The outlook also leaves something to be desired in the neighboring Baltic states, according to some reports.

WHEAT: Balances, Continental Europe, season July 1 to June 30

Item	1926-27	1927-28 preliminary
	1,000 bushels	1,000 bushels
Germany:		
Production	95,429	120,522
Net imports		
July-April	72,673	79,525
May	10,206	6,081
June	10,847	6,994
Apparent consumption	189,155	213,122
France:		
Production	231,767	276,128
Net imports		
July-April	39,836	49,297
May	6,539	1,730
June	6,576	1,700 - 5,400
Apparent consumption	284,718	328,900 - 332,600
Italy:		
Production	220,644	195,808
Net imports		
July-April	73,478	64,530
May	6,050	13,814
June	7,626	9,520
Apparent consumption	307,798	283,672
Czechoslovakia:		
Production	34,130	40,385
Net imports		
July-March	15,141	16,404
April	1,208	1,620
May-June	4,642	2,200 - 4,000
Apparent consumption	55,121	60,600 - 62,400
Belgium:		
Production	12,801	16,277
Net imports		
July-April	33,834	35,501
May-June	8,264	7,300 - 8,200
Apparent consumption	54,899	59,000 - 60,000

WHEAT: Weighted average price per bushel of reported cash sales at stated markets, by weeks, July 1, 1926 - July 13, 1928

Week ended	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dark northern spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July 1	139	144	132	140	162	153	146	151	137	147
8	141	146	131	141	175	158	152	156	139	147
15	143	143	139	139	182	160	155	156	144	143
22	143	158	137	136	183	156	158	155	143	141
29	140	136	136	134	167	161	159	149	141	139
Aug. 5	137	134	133	133	167	155	163	152	135	137
12	135	139	132	137	164	160	164	164	133	143
19	135	138	130	138	157	154	156	161	133	144
26	136	137	131	137	156	149	160	143	132	146
Sept. 2	134	134	131	132	148	144	139	134	135	143
9	135	135	128	132	145	143	135	135	134	145
16	139	128	132	129	150	136	142	126	136	142
23	135	126	133	129	151	134	139	122	137	140
30	137	127	137	131	152	136	143	123	140	143
Oct. 7	137	126	137	132	153	133	142	122	139	149
14	137	128	137	131	153	136	145	126	139	147
21	141	126	140	128	153	137	153	124	141	142
28	142	121	141	125	153	131	161	120	141	141
Nov. 4	140	123	138	128	149	132	163	121	137	143
11	141	126	139	130	150	135	166	130	139	142
18	135	127	134	131	145	133	155	130	134	142
25	135	127	136	134	144	134	160	128	134	142
Dec. 2	137	126	137	132	146	134	164	127	138	140
9	140	128	139	134	149	137	172	132	139	147
16	138	129	137	131	146	137	178	132	137	146
23	141	128	138	132	149	138	181	133	136	142
30	139	128	137	129	147	138	174	135	134	143

Continued -

WHEAT: Weighted average price per bushel of reported cash sales at stated markets, by weeks, July 1, 1926 - July 13, 1928 cont'd.

Week ended	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dark northern spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Jan. 6	137	132	136	136	146	142	172	138	137	147
13	139	130	138	132	147	139	166	132	138	149
20	138	131	138	134	147	142	163	129	137	153
27	140	131	138	132	147	145	171	127	137	152
Feb. 3	138	131	137	131	146	143	165	128	138	152
10	137	130	136	129	146	140	157	126	137	152
17	136	131	135	133	146	140	160	127	135	155
24	134	134	134	136	146	145	158	129	132	158
Mar. 2	135	135	135	135	146	145	154	133	132	161
9	136	137	135	138	146	148	163	133	135	166
16	134	135	133	136	142	145	152	131	132	168
23	130	137	129	141	138	147	158	135	126	170
30	132	137	130	141	139	147	154	135	127	176
Apr. 6	133	140	131	145	140	151	155	135	129	181
13	133	143	130	144	139	152	152	140	127	186
20	136	156	130	156	142	167	154	146	128	199
27	137	158	132	165	144	171	149	141	132	212
May 4	140	162	136	169	149	174	159	148	137	220
11	144	156	141	164	152	168	161	144	141	204
18	144	147	139	151	153	160	154	136	139	181
25	149	147	145	153	159	161	161	138	146	179
June 1	152	146	149	155	161	161	161	136	151	183
8	149	145	145	151	159	156	158	136	150	185
15	150	142	145	149	158	151	159	129	151	180
22	149	139	144	149	157	151	154	126	151	175
29	144	141	140	145	153	152	151	127	147	172
	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29
July 6	146	137	141	136	158	153	156	132	147	172
13	143	132	139	128	160	149	156	124	143	155

Division of Statistical and Historical Research. Compiled from trade papers of markets specified.

WHEAT: Cash closing price per bushel at Minneapolis and Winnipeg, by weeks, July 1, 1927 - July 6, 1928

Week ending:	Minneapolis No. 1 dark northern: 1926	1927	Winnipeg No. 1 northern: 1926	1927	Week ending:	Minneapolis No. 1 dark northern: 1927	1928	Winnipeg No. 1 northern: 1927	1928
	Cents	Cents	Cents	Cents		Cents	Cents	Cents	Cents
July 1:	159	150	152	159	Jan. 6:	142	147	133	140
8:	172	153	156	163	13:	144	148	134	141
15:	180	152	162	163	20:	144	148	135	145
22:	178	149	161	162	27:	145	150	139	144
29:	167	148	160	162	Feb. 3:	144	149	140	141
Aug. 5:	163	148	155	157	10:	144	146	139	140
12:	159	153	153	163	17:	143	148	139	141
19:	152	150	152	163	24:	143	151	140	144
26:	151	147	150	159	Mar. 2:	142	153	143	145
Sept. 2:	145	143	145	154	9:	143	154	145	147
9:	142	142	145	152	16:	140	154	143	148
16:	146	137	145	142	23:	135	155	141	149
23:	147	137	143	142	30:	137	156	143	149
30:	147	143	142	142	Apr. 6:	138	158	145	151
Oct. 7:	148	142	140	142	13:	136	164	143	153
14:	147	142	139	147	20:	139	173	146	159
21:	149	139	147	147	27:	140	176	147	159
28:	148	135	147	141	May 4:	143	182	151	163
Nov. 4:	146	135	145	141	11:	147	177	153	162
11:	145	138	145	141	18:	148	168	153	155
18:	140	140	140	148	25:	154	169	161	157
25:	140	141	139	150	June 1:	156	166	164	151
Dec. 2:	143	142	135	144	8:	152	161	161	146
9:	145	144	134	143	15:	153	157	162	143
16:	143	143	131	139	22:	151	156	161	139
23:	145	144	135	138	29:	150	157	159	139
30:	144	144	134	138	July 6:	153	157	163	139
					13:	152	150	163	136

Division of Statistical and Historical Research. Compiled from the Minneapolis Daily Market Record.

WHEAT: Market receipts in United States and supply, United States and world, by months, 1926-27 and 1927-28

Month	Receipts of inspected wheat at all inspection points a/		Receipts at 11 primary markets b/		Bradstreet's United States visible supply c/		World visible supply b/c/	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	Cars	Cars	1000 bus.	1000 bus.	1000 bus.	1000 bus.	1000 bus.	1000 bus.
July	121,768	79,421	65,503	50,997	16,486	25,516	142,820	183,092
Aug	103,502	91,406	65,971	76,811	34,575	57,533	145,809	181,502
Sept	69,952	97,744	45,295	78,687	72,884	71,908	182,870	205,049
Oct	52,306	80,279	30,079	70,457	84,724	88,755	225,197	237,122
Nov	39,904	56,801	27,377	41,526	81,175	98,675	230,916	299,735
Dec	32,433	38,087	18,746	21,912	78,910	100,013	300,304	346,746
Jan	32,720	33,398	18,918	21,510	70,811	94,336	378,641	399,296
Feb	34,101	31,019	18,834	20,878	62,317	85,720	381,025	422,671
Mar	30,992		16,953	23,984	61,271	77,949	373,378	403,103
Apr	26,934		12,933	17,005	53,827	73,220	344,516	381,609
May	31,215		16,997	24,043	42,402	66,184	288,741	339,907
June	33,566		17,819	13,453	31,115	52,460	231,686	283,428
Total	609,393		355,425	461,263				

Division of Statistical and Historical Research.
a/ Grain Division. b/ Compiled from Chicago Daily Trade Bulletin.
c/ On 1st of month.

WHEAT: United States milling and export trade, July-June, 1926-27 and 1927-28

Month	Wheat ground in United States mills a/		Inspections of United States wheat for export b/		Exports of wheat c/	
	1926-27	1927-28	1926-27	1927-28	1926-27	1927-28
	1,000 bus.	1,000 bus.	1,000 bus.	1,000 bus.	1,000 bus.	1,000 bus.
July	48,187	42,090	19,141	8,278	16,083	8,397
Aug	52,206	47,986	23,926	14,580	28,995	23,402
Sept	53,975	52,373	21,317	21,252	23,700	33,748
Oct	53,276	54,121	10,934	15,058	17,589	29,236
Nov	47,981	48,679	10,445	10,009	14,230	20,731
Dec	44,335	46,209	8,587	6,173	9,662	6,917
Jan	42,870	45,953	6,364	4,844	8,078	5,956
Feb	39,792	44,669	3,711	2,275	4,889	2,276
Mar	44,514	48,587	5,810	2,841	5,084	2,740
Apr	41,505	42,330	8,157	2,182	11,263	2,723
May	42,447	d/ 43,155	5,490		8,960	4,823
June	42,623		3,325		7,459	
Total	553,711		127,307		156,250	

Division of Statistical and Historical Research. a/ Census raised to 100 per cent. b/ Grain Division. c/ Compiled from reports of Bureau of Foreign and Domestic Commerce. d/ Preliminary.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-21

August 1, 1928

FOREIGN NEWS ON WHEAT

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CANADIAN WHEAT CONDITIONS

The outlook for the 1928 wheat crop in the three prairie provinces of Canada at the present time is very promising and barring damage from frost and severe heat, western Canada should produce an above average crop, according to a telegram to the Foreign Service of the Bureau of Agricultural Economics from Consul General Heintzleman at Winnipeg, Canada. The Consul General quotes unofficial sources which he believes to be reliable and accurate. Present prospects promise a very large crop in Alberta as conditions are excellent throughout the province excepting Peace River country which suffered from drought. Conditions in Saskatchewan are not quite so promising as in Alberta. Many fields are patchy as a result of the uneven germination caused by the abnormally dry weather in May. A large proportion of the crop there is very weedy and there was unusually heavy hail damage during the past week which one report estimates covered one million acres or one-fourteenth of the wheat acreage of the province. Given average weather, however, from now until the end of the season, Saskatchewan will produce a heavy crop. Conditions in Manitoba are much better than at this time last year. There has been considerable damage from floods in the Portage Plains and Red River Valley but the area affected, while large, is not sufficient to prevent a much larger crop than last year.

There is very little likelihood of any serious damage from rust in either Manitoba or Saskatchewan as crops are fully one week earlier than last year and stem rust appeared two weeks later than last year. The rust spores in the air are very rare compared to last year and only isolated infections have appeared so far in Manitoba and only a few pustules have been discovered in Saskatchewan.

The source which Consul General Heintzleman quotes considers as ridiculous the report which is being circulated that Canada will produce a crop of 650,000,000 bushels and also the report of a below average crop as equally ridiculous.

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August 6, 1928.

FOREIGN NEWS ON WHEAT

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JAPANESE WHEAT AND FLOUR SITUATION

The Japanese wheat crop is officially estimated at 33 million bushels compared with a crop of 31 million bushels last year, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner P. O. Nyhus. The quality is extremely poor, however, and a higher percentage of foreign wheat than usual will be required for blending purposes to make standard grade flour.

Mills are now buying up the native crop and will not be active buyers of Canadian and American wheat for another month or two. The price of native wheat at mills is equivalent to $1.43 a bushel, while the comparable price of United States Western No. 2 is $1.71 a bushel and for Canadian No. 5 is $1.47 a bushel. United States and Canadian together with Australian wheats make up the bulk of the Japanese imports. The exportable surplus of Australian wheat is reported to be very small and the price is higher than the wheat quoted above.

Stocks of foreign wheat are slightly below normal for this date. Mills are awaiting foreign price developments but predictions are made that there will be heavy purchases of low grades of Canadian wheat and lighter purchases of the higher priced, but indispensable, white wheat from the United States and Australia.

Flour prices are low, in keeping with low rice prices. Wholesale prices on July 27 for immediate delivery were $1.63 per bag of 49 pounds. The domestic outlet for flour is good but export business both for immediate and future delivery is poor. An agreement to restrict production among the leading milling companies was terminated on June 1, but current operation of about 65 per cent of capacity is about the same as under the agreement.

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FOREIGN NEWS ON WHEAT

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THE WHEAT FLOUR INDUSTRY AND TRADE OF NORTH CHINA AND MANCHURIA

Imports of foreign flour into north China since the world war have shown a marked increase, according to a report from Agricultural Commissioner Paul C. Nyhus in China. The main competing sources of supply, in the flour trade at Tientsin, are Shanghai, United States, Japan and Canada. It is possible that Shanghai and foreign flours have partially displaced native milled flour, and also that increased purchasing power of the north China people has resulted in increased consumption of flour. The flour trade at Dairen is very similar in character and in conditions to that of Tientsin with the exception that there is no significant milling industry in South Manchuria and the imports at Dairen are distributed throughout South Manchuria.

The largest wheat crop in North Manchuria for a number of years was obtained in 1927. Mills that had been idle were put into operation and North Manchuria flour moved into South Manchuria in large volume. Under the circumstances there was little interest in foreign flour among the importers at Dairen and the imports of Shanghai and foreign flour into that port for 1927-28 may have been only 1/3 of the 1926-27 amounts. Following the relatively good wheat prices of 1924, 1925 and 1926 there was a considerable increase in acreage of wheat in North Manchuria and with the good weather of 1927 a large yield resulted. The wheat acreage in North Manchuria may continue to increase until it is set back again by a near crop failure as it was in 1923, states Mr. Nyhus.

In the following pages Mr. Nyhus discusses in some detail the factors affecting the wheat trade of north China and Manchuria.

Wheat Flour Consumption in China

The popular conception of rice being the food of the Chinese is incorrect for fully the northern third of China, according to Mr. Nyhus. Lack of transportation facilities and poverty over hundreds of years have made it impracticable for the Chinese in various regions of China to develop a uniform or standard diet. The people in different regions have adjusted their diet to food grown in the locality. Thus, in the Yangtsze Valley and in south China climatic and soil conditions are favorable for rice and rice is the main article of food. Wheat flour consumption in south China is relatively light. North of the Yangtsze Valley rice is grown to only a very limited extent because of insufficient rainfall, low temperature or mountainous country. Other grains are grown and used for food.

In the mountainous province of Shansi, with high altitudes, oats is a very successful crop and in that province, it is reported, oats flour, millet and white potatoes are the main articles of food. In Manchuria, millet,

kaoliang and corn are much more successfully grown than wheat and the former cereals are, accordingly, the food grains of the masses. In the provinces of Chihli, Shantung and Honan, where wheat is grown to a considerable extent, wheat is an important food item, but for many of the peasants who sell their wheat and buy back cheaper cereals and for the masses in the cities millet, beans, kaoliang and corn are used more than wheat. It is in the northern provinces, however, where the people in the cities and villages are more or less accustomed to a wheat diet, that the trade in both domestic and foreign flour is located.

The Flour Trade Affected by Three Wheat Producing Regions

Soil and climatic conditions have brought about what might be considered three wheat producing regions. Conclusive statistics are not available but probably the region of greatest production is located about midway between Peking and Shanghai. Between these two points are two natural regions of China, -- the North China Plain to the north and the delta lands of the Yangtsze River to the south. Scant rainfall in the spring and other conditions restrict the wheat acreage in the northern part of the above territory but in an area that includes part of Honan, Anhwei, Kiangsu and Shantung provinces, winter wheat is grown to a very great extent. Farm management studies conducted by the University of Nanking for a number of communities in this region indicate that from fifty-two to sixty-six per cent of the total farm land is sown to winter wheat in the fall. Millers' statements as to the source of wheat supplies further confirm this region as the major wheat growing region of China. It appears that wheat growing as a winter crop is largely confined to the plain sections of the above provinces and does not extend into mountainous country that begins in the western part of Honan province. The wheat is harvested in May or June and the land planted to various summer crops consisting chiefly of beans and to a lesser extent of corn, sweet potatoes and millet. In times of normal transportation facilities, wheat from this region moves north to the mills at Tsinan and Tientsin and south to Shanghai.

Somewhat similarly favorable conditions for wheat growing extend from this central region to the adjacent delta lands of Kiangsu province at the mouth of the Yangtsze River. In traveling between Shanghai and Nanking in this province in April or May, wheat and barley fields that are just heading out seem to cover more than half of the entire countryside. This is a region of canals and lakes with some flats too wet to grow anything but rice. To provide drainage for the winter crops of wheat or barley during periods of excessive surface water, therefore, the soil is thrown up in beds or strips about ten feet wide with a ditch or furrow on each side. With ample water for irrigating purposes, rice is commonly planted in this region after the wheat harvest in May or June. The province contains some of the most fertile and productive farming tracts in China and undoubtedly a larger portion of the farm wheat crop of this region is released as surplus production or as a cash crop than of other regions of China. It is from this province that Shanghai mills have secured most of their supplies in recent years.

The other wheat region of importance which is a factor in the wheat flour trade of China is a hard spring wheat section in North Manchuria. The winters there are too severe and dry for winter wheat and conditions are not uniformly favorable even for spring wheat. New land is being brought into cultivation but drought in the spring and frequently heavy losses due to rust damage restrict the wheat acreage, and since the war farmers have preferred to grow the safer crop of soy beans. Production in this region during the war years probably reached 75,000,000 bushels compared with recent crops of 25,000,000 to 35,000,000 bushels. Given a few years of good yields and high prices, the wheat acreage in North Manchuria may increase considerably until it is set back again by a near failure of the crop from rust damage such as occurred in 1923. The yield dropped from 15.4 bushels per acre in 1922 to 6.0 bushels in 1923.

In the central and Kiangsu wheat districts, weather conditions seem to be very favorable for a winter wheat crop. There is enough rain in the fall to give the grain a good start; the winters are not severe and there is enough rain and warm weather in early spring to mature a good yield by the end of May. Conditions are much less satisfactory and dependable in North Manchuria. These weather conditions are summarized in Tables Nos. I and II, giving rainfall and temperature data at places representative of these three regions of China together with corresponding data for localities in America.

TABLE NO. I: Average Temperature Data of Wheat Growing Regions of China and United States

Month	China a/			United States		
	Anhwei Province	Shanghai	Harbin	Indianapolis	Hays, Kansas	Bismark, N.D.
	Degrees F.	Degrees F.	Degrees F.	Degrees F.	Degrees F.	Degrees F.
January	33.3	37.9	.0	28.4	29.8	7.8
February	34.3	39.2	5.7	31.1	31.0	10.3
March	41.2	46.0	18.3	40.0	42.3	24.2
April	50.7	56.1	41.4	52.1	51.8	42.1
May	58.6	65.5	55.4	62.9	61.6	54.8
June	67.8	73.2	65.8	71.6	71.9	63.7
July	74.8	80.2	71.6	75.7	77.9	69.8
August	74.8	80.2	70.7	73.7	66.8	67.3
September	67.5	70.9	57.6	66.9	68.3	58.1
October	57.9	63.3	41.0	55.7	56.0	44.9
November	46.6	52.0	20.1	42.3	42.2	28.5
December	36.7	42.1	.3	32.2	30.6	14.7

a/ Averages for China based on varying number of years of records. Taken from publications of Zikawei Observatory, Shanghai. United States data from Weather Bureau records. Normals based on 30 or more years record.

TABLE NO. II: Average Rainfall Data of Wheat Growing Regions of China and United States

Month	China a/			United States		
	Anhwei Province	Shanghai	Harbin	Indianapolis	Hays, Kansas	Bismark, N.D.
	Inches	Inches	Inches	Inches	Inches	Inches
January	.4	2.0	.2	2.81	.53	.54
February	.4	2.4	.2	3.08	.86	.50
March	1.0	3.5	.3	4.01	.97	1.04
April	.8	3.8	.9	3.47	2.35	1.88
May	.6	3.7	1.6	3.94	3.35	2.50
June	1.9	7.5	4.2	4.31	3.18	3.54
July	4.7	6.0	5.9	4.13	3.28	2.14
August	4.8	5.8	4.2	3.33	2.98	1.98
September	2.8	4.8	2.2	3.05	2.27	1.19
October	.8	3.2	1.2	2.79	1.45	1.03
November	1.0	2.0	.3	3.52	.78	.68
December	.6	1.3	.2	3.04	.82	.62
Total	20.0	45.9	21.5	41.48	22.80	17.64

a/ Averages for China based on varying number of years of records. Taken from publications of Zikawei Observatory, Shanghai. United States data from Weather Bureau records. Normals based on 20 or more years record.

The Milling Industry

A modern milling industry associated with the above wheat producing areas of China is of rather recent origin and probably by far the bulk of flour consumption in the interior of China continues to be ground under turning stone rollers or pounded out in large stone bowls in the farm huts. There were a few modern mills in all these districts prior to 1914, but the war greatly stimulated the construction of many new ones and each year since the war a few new mills have been built.

In Shanghai and nearby cities there are seventeen mills with a total milling capacity of about 30,000 barrels per day. The millers draw in normal times wheat from the Honan district, some coming via Hankow, but during the past few years transportation facilities have been so disrupted and expensive that supplies have been uncertain and have been largely confined to rail and canal shipments of wheat grown in Kiangsu province.

The Shanghai mills have also bought wheat from the United States, Canada and Australia. The current prices of flour do not ordinarily warrant purchases of foreigh wheat but partly because of favorable prices and partly as a speculation that prices of flour will be higher, the Chinese millers have in recent years bought varying amounts of foreign wheat and have made money on their purchases. For four years prior to the 1927 season the flour prices advanced considerably from September to March. To some extent, low grades of Canadian wheat have been bought and have been blended with native wheat. These and other practices indicate that milling in Shanghai has reached a point where Chinese millers will in the future make every effort to utilize foreign wheat to advantage.

Shanghai millers estimate that the consumption of flour in Shanghai is relatively light; approximately 90,000 barrels per month compared to exports from Shanghai of three to four times this amount. The bulk of milling in Shanghai, therefore, is for export to other Chinese ports. The present volume of this export output as compared to former periods is significant. Before 1913 exports averaged less than 70,000 tons annually; at the height of the war period 330,000 tons, and during the last four years they have exceeded 400,000 tons. Canton, Amoy, Swatow and other south China ports have taken approximately twenty per cent of these exports and north China ports seventy-five per cent.

In North Manchuria, particularly at Harbin, milling capacity expanded in common with the increase in wheat acreage during the war. Milling capacity at Harbin reached 20,000 barrels per day, three-fourths of which became idle in 1924 and 1925 when wheat production returned to pre-war levels. The 1927 season, however, was a distinct improvement and the best since 1920. With good crops of wheat in North Manchuria there is ample milling capacity to take care of the flour requirements of all Manchuria, but operations will depend upon the profitableness of wheat growing in the agricultural scheme of things in Northern Manchuria. a/

The flour milling industry in north China proper is concentrated at Tsinan in Shantung province and at Tientsin in Chihli province. At Tsinan there are six mills with a capacity of about 7,000 barrels per day, but operations are not steady. The mills used about 5,000,000 bushels of wheat in 1927 drawn from Shantung province. Millers state that in years past some of their flour was shipped to Tientsin but recently freight rates have been too high to permit this and their area of distribution has been curtailed. In the summer and fall, wheelbarrows heavily loaded with wheat or flour are a noticeable part of the crowded traffic of the native roads in Tsinan. There are two mills at Tsingtao with a total capacity of 1,100 barrels per day and a 250-barrel mill at Chefoo making flour for local consumption.

At Tientsin the capacity of the six mills is similar to that of Tsinan or about 7,000 barrels per day and operations are probably more steady

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a/ See page 3, F.S./FO-30, June 22, 1928, "The Soy Bean Industry in Manchuria", for a discussion of crops competing with wheat.

than at other locations in China. The mills are comparatively new and modern and an American milling engineer, (a representative of a flour machinery company) is employed to make regular inspection of the machinery and mechanical operations. New supplies for these mills arrive in July following the harvesting of the new crop in the Chihli-Honan district. Beginning in 1926 the American Consulate General at Tientsin began to secure monthly estimates of the output of these mills as an aid in making monthly reports on the condition of the Tientsin flour market. These estimates indicate an output of 1,400,000 barrels of flour in the calendar year 1927 or the use of approximately 6,000,000 bushels of wheat. Statistics of native customs and of the Maritime Customs show receipts of wheat for milling varying from 4,200,000 bushels in 1923 to 6,300,000 bushels in 1926. Only in 1925 was a significant amount of wheat imported at Tientsin from abroad when 1,000,000 bushels were secured.

Prior to 1925 from one-half to two-thirds of the receipts at Tientsin arrived by rail but in recent years military taxes for the use of railway cars, irregular charges or payments, and excessive freight rates have diverted traffic to river transportation. In the last two years only 10 per cent of the wheat has arrived by rail and the balance by boats or junks in spite of the fact that the millers do not prefer the boat shipments because of "watering" of the wheat that is done en route similarly as with cotton cargo. In addition to the modern milling capacity that has been described, there are six mills scattered along the railway between Peking and Hankow and several mills at Hankow.

Tientsin mills in common with the flour mills of Shanghai, Tsinan and Tsingtao sell the bulk of their bran to Japan. Land for grain or feed crops is very limited in Japan and the annual bran imports from China of 200,000 tons help to meet requirements of livestock feed.

The Flour Trade of Tientsin

Into the foregoing situation of wheat production and flour milling at different places in China is woven the flour trade, both native and foreign. That the north China market is of predominating importance is evident from Table III of imports of flour by regions indicating that fully seventy-five per cent of domestic shipments and eighty per cent of foreign imports are received by north China markets of which Tientsin, Dairen and Tsingtao are foremost.

TABLE NO. III: Location, by Regions, in China of the Import Trade in Wheat Flour, Calendar Years 1925 and 1926

Imported by	1925		1926	
	Milled in China	Foreign flour	Milled in China	Foreign flour
	Barrels	Barrels	Barrels	Barrels
North China ports	3,847,000	1,459,000	3,602,000	2,459,000
South China ports	867,000	449,000	1,082,000	449,000
Yangtsze river ports ...	235,000	10,000	327,000	10,000
Total	4,949,000	1,918,000	5,011,000	2,918,000

Compiled from reports of the Chinese Maritime Customs.

In addition to the output of the Tientsin mills, the Tientsin market has absorbed fully twice as much flour from Shanghai and abroad. The apparent trade over a period of crop years is indicated in Table No. IV, giving the output of Tientsin mills as compared with receipts of wheat and the imports of flour as reported by the Chinese Maritime Customs.

TABLE NO. IV: Apparent Flour Trade of Tientsin, 1923 to 1927

Crop years	Milled in Tientsin	Imported from Shanghai	Imported from Foreign Countries	Total Trade
	Barrels	Barrels	Barrels	Barrels
1923	1,202,000	1,001,000	1,238,000	3,441,000
1924	1,000,000	2,000,000	330,000	3,330,000
1925	1,451,000	1,521,000	787,000	3,759,000
1926	1,465,000	1,596,000	733,000	3,793,000
1927 a/	1,204,000	1,857,000	1,306,000	4,367,000

Compiled from records of Native and Maritime Customs at Tientsin.
a/ Estimates based upon returns for nine months.

Statistics immediately prior to the war indicate that importations of Shanghai and foreign flours into Tientsin were approximately 500,000 barrels per year compared with amounts in recent years of about 2,300,000 barrels. Modern milling has not decreased, but it is altogether possible that close to Tientsin and Shanghai foreign flours have displaced native milled flour.

A small transit duty on foreign flours going into the interior tends to confine consumption of foreign flours to Tientsin but there is a trade with interior places in Shanghai and Tientsin flours equal to fully half of the total amounts of flour imported at Tientsin.

The total amount of flour shipped into Tientsin during each of the past four years has been about the same, but the origin has shifted about considerably. The details of imports by quarters are contained in Table No. V, which reveals a great many conditions of the import trade. What is especially prominent is well maintained quarterly and annual receipts from Shanghai; sixty to eighty per cent of all the flour imported into Tientsin. What Shanghai mills have not supplied, (annual amounts of 1,500,000 to 2,000,000 barrels) the United States, Japan and Canada have provided in varying proportions. Low priced American flour and wheat from the 1923 crop relieved a serious crop shortage both in north and south China, but takings from United States since that date have had a varying fortune. Japan's exports entered the north China markets for the first time in significant volume in 1925 and since that time have fully equaled in amount exports from America. Canadian flour because of its high gluten content and color has had a more restricted outlet compared to the lower gluten American and Japanese flours.

Qualities of Flour and Conditions of the Tientsin Market

The locally milled flour of Tientsin is considered to be the best flour on the Tientsin market, states Mr. Nyhus. Honan and Chihli wheat from which Tientsin flour is milled is of excellent quality; of a higher gluten content than Shanghai wheat but lower than Manchurian wheat. The flour has a moderate gluten content, a good white color, and normally sells for fifteen cents per sack (49 pounds) above any other flour. In early April of this year it sold for thirty cents a sack more than the next priced American flour. The other flours fall into the same price group with differences of five to ten cents a sack, depending upon grades and local stocks. Although lowest in gluten content of any flour in the Tientsin market, American "Club Straight" flour has a firm and popular place because of its superior white color. It is used more especially in raised steamed buns where lightness and whiteness are much desired. It can normally sell a few cents a sack above Shanghai flour which is also made of soft wheat.

When Australian flour is on the market it also has a high rating. Shanghai flour has a wide usefulness in steamed buns, noodles and unraised baked bread. Its color is inferior to American or Tientsin flour and its gluten content is higher than American. Canadian flour is very high in gluten content and objected to because of its dark color. It finds a special use in noodles in which "strength" or gluten is desirable and where boiling in oil makes the color factor unimportant. It is reported that the Northern military has been a heavy buyer of low grades of Shanghai and Canadian flour. There is no distinct quality or standard in the flour exported from Japan as the Japan mills make various blends for the China market from wheats secured in Japan, United States, Canada and Australia. In general, however, the brands are inferior to American "Club Straight" and although the latter can sell five cents a sack higher this difference does not always occur.

There is no organized flour exchange at Tientsin but dealers, retailers, brokers and importers meet together every morning for private transactions. Out of the meetings come new prices and reports on the condition of the market. Here as in other ports of China the standard unit is the net 49 pound sack. With flour as with many other articles in the China trade, the establishment of a brand or "chop" is a very important factor in maintaining sales. Once acquainted and accustomed to a particular brand the Chinese are adverse to shifting and it is for that reason that many millers and importers are very concerned about maintaining supplies of their particular "chops" or trademarks after they are established.

A great deal of speculation is involved in the importation of foreign flour, a risk taken by the native Chinese dealers, according to Mr. Nyhus. Under the present method of doing business the flour importers, Chinese and a few Japanese and other foreign firms at Tientsin, operate only on a commission basis and on orders placed with them by the dealers. In the case of

purchases in America and in Canada sixty to ninety days commonly elapse between the time of ordering and the date of arrival of goods at Tientsin. In this length of time the Tientsin market may change considerably and dealers may suffer losses on flour arriving on a low market. Dealers usually have thrity days in which to settle for and accept goods, but it is evident that the speculation involved in ordering American and Canadian flour restricts purchases of these flours and is an unfavorable condition in doing business with these two countries. Japanese mills enjoy a distinct advantage in this respect, a very important factor in the volume of business at present being done with Japan. Deliveries of Japanese flour can be made in ten to twenty days. The facilities for quick delivery permit importers of Japanese flour to make good use of short periods of low stocks or of a strong market.

The currency of China is on a silver basis so that actual price quotations in America, Canada and Japan are altered by the individual exchange rates of each country. The unsteadiness of silver exchange becomes, accordingly, another speculative factor in the current and forward transactions in flour as far as the dealers are concerned and the actual exchange rate is a determining factor in making possible business with foreign markets.

In the course of an investigation of the flour industry of Japan, it developed that the flour exports of Japan in 1925 and 1926 were determined by unfavorable conditions and adjustments in the domestic industry and were not entirely a profitable venture. In 1927, however, a more conservative export policy was followed and reports state that the 1927 and 1928 business has been on a sound and profitable basis. A new 7,000-barrel mill was recently completed near Yokohama which was built expressly for export trade.

TABLE NO. V: Source and Amounts of Flour Imported at Tientsin, 1924 to 1927

Crop years and quarters	From United States	From Japan	From Canada	Re-exports from Shanghai	Total foreign flour	Native flour from Shanghai	Total foreign and native flour
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
1924							
July-Sept.	131,000	5,000	21,600	12,100	169,300	751,300	920,600
Oct.-Dec.	18,000	---	---	97,200	115,200	426,600	541,800
Jan.-March	---	---	---	---	---	429,600	429,600
April-June	4,100	31,900	6,000	3,500	45,500	392,700	438,200
Total ...	153,100	36,900	27,600	112,800	330,000	2,000,200	2,330,200
1925							
July-Sept.	2,500	80,200	27,200	5,700	115,700	648,100	763,800
Oct.-Dec.	96,400	45,700	5,000	3,100	150,100	438,000	588,600
Jan.-March	127,000	18,100	4,400	4,800	154,300	211,000	365,600
April-June	128,100	161,400	53,900	23,600	366,900	223,000	590,100
Total ...	354,000	305,400	90,500	37,200	787,000	1,520,100	2,308,100
1926							
July-Sept.	34,200	130,100	12,300	22,500	199,200	479,900	679,100
Oct.-Dec.	49,700	11,700	15,100	1,700	78,300	357,000	435,300
Jan.-March	16,300	5,800	7,200	2,100	31,500	342,800	374,300
April-June	102,100	206,900	51,600	62,900	423,600	416,000	839,600
Total ...	202,300	354,500	86,200	89,200	732,600	1,595,700	2,328,300
1927							
July-Sept.	80,100	125,200	75,200	74,700	355,200	517,200	872,400
Oct.-Dec.	214,600	175,600	15,700	5,500	411,400	656,900	1,068,400
Jan.-March	109,300	139,900	79,600	7,300	336,100	341,900	678,000

Unpublished records of the Chinese Maritime Customs at Tientsin secured through the courtesy of the United States Consulate-General at Tientsin.

The Flour Trade of Dairen

The flour trade of Dairen is very similar in character and in conditions to that of Tientsin with the exception that there is no significant local milling industry in South Manchuria and the imports at Dairen are distributed throughout South Manchuria. The port is under Japanese administration, being located in Japanese Leased Territory at the southern entry into Manchuria.

With the falling off of wheat and flour supplies from North Manchuria after the war, the markets in South Manchuria imported Shanghai and foreign flour to the extent of 2,500,000 barrels in 1924, 1925 and 1926. Following these years of relatively good wheat prices in Manchuria, the plantings in North Manchuria increased considerably in 1927 and together with favorable weather the 1927 crop was large enough to almost entirely take care of South Manchurian requirements. These changes are revealed in Table No. VI giving the apparent flour trade of South Manchuria over a period of years and the relation between receipts from North Manchuria, Shanghai and foreign countries. It is quite apparent that annual imports of 2,500,000 barrels of Shanghai and foreign flour is a circumstance of only a few recent years and is conditional upon small wheat crops in North Manchuria.

TABLE NO. VI: Relationship of North Manchuria and Other Flours in the Flour Trade of South Manchuria, 1920 to 1927

Calendar year	From North Manchuria	From Shanghai	From foreign countries	Total
	Barrels	Barrels	Barrels	Barrels
1920	1,742,900	266,300	45,900	2,055,100
1921	1,801,000	440,800	56,100	2,298,900
1922	1,024,500	325,500	685,700	2,035,700
1923	921,400	511,200	911,200	2,343,900
1924	137,800	1,099,000	1,551,000	2,787,800
1925	433,700	1,419,400	986,700	2,839,800
1926	836,700	1,345,900	1,155,100	3,337,800
1927 a/	1,887,800	339,800	602,600	2,829,600

Compiled from Railway and Customs Statistics.
a/ Preliminary figures for 1927.

The details of importations of flour at Dairen contained in Table VII indicate that Shanghai flour does not have as strong a place in South Manchuria as it does in the Tientsin market, and that Dairen in the past has been better than Tientsin as a market for foreign flour.

The import business at Dairen is in the hands of a few strong Japanese organizations two of whom are financially interested in the two largest milling companies of Japan and who also maintain their own offices on the United States Pacific Coast.

Tsingtao has imported about 500,000 barrels of flour annually in recent years, of which 60 per cent has been Shanghai flour and the balance foreign flour. The comparatively light demand for imported flour in Shantung province as indicated by the receipts at Tsingtao is probably explained by the output of the Tsinan mills, by the absence of any large cities, and by the general poverty of the people in the province.

TABLE NO. VII: Source and Amounts of Flour Imported at Dairen, 1924 to 1927

Crop years and quarters	From United States	From Japan	From Canada	Total foreign flour	Native flour from Shanghai	Total foreign and native flour
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
1924						
July-Sept.	55,600	30,700	5,100	91,400	22,200	113,700
Oct.-Dec.	14,600	11,300	25,500	49,400	490,600	540,000
Jan.-March	25,500	9,400	12,100	47,000	304,900	351,900
April-June	11,800	134,300	10,200	156,300	40,800	197,100
Total ...	107,500	185,700	50,900	344,100	858,500	1,202,700
1925						
July-Sept.	10,200	149,700	118,300	278,200	174,500	452,400
Oct.-Dec.	324,200	48,300	211,700	584,200	47,000	631,200
Jan.-March	34,200	61,900	123,700	219,800	125,900	345,700
April-June	21,700	119,000	97,700	238,300	61,900	300,500
Total ...	390,300	378,900	551,400	1,320,700	409,100	1,729,800
1926						
July-Sept.	56,600	229,700	18,300	304,600	225,800	530,400
Oct.-Dec.	115,600	47,900	56,900	220,300	243,300	463,600
Jan.-March	46,800	10,000	60,700	117,600	74,200	191,700
April-June	21,900	38,500	123,400	183,800	11,800	195,600
Total ...	240,900	326,100	259,300	826,300	555,100	1,381,300
1927						
July-Sept.	23,200	51,000	26,500	90,500	32,600	123,100
Oct.-Dec.	92,400	43,600	1,000	137,000	23,700	160,700

Unpublished records of the Chinese Maritime Customs at Dairen secured through the courtesy of the United States Consulate at Dairen.

Concluding and summarizing the foreign flour trade of all China, Table VIII indicates the volume, value, and source of foreign flour imports in the calendar years 1925 and 1926 as published by the Chinese Maritime Customs. Trade with the United States in 1926 totaled 989,000 barrels with a value of $5,989,000. As the foregoing discussion has undoubtedly suggested, the business in any one year depends upon a number of conditions which in China are extremely difficult to forecast.

TABLE NO. VIII: Wheat Flour Imports of China, Calendar Years 1925 and 1926

Source	1925		1926	
	Barrels	Dollars	Barrels	Dollars
Japan	643,400	4,236,000	1,066,300	6,625,000
United States	633,700	4,274,000	985,300	5,989,000
Canada	185,100	1,250,000	590,800	3,989,000
Hongkong	403,100	2,408,000	221,900	1,112,000
Other places	46,400	352,000	50,600	314,000
Total	1,911,700	12,520,000	2,914,900	18,027,000

1926 Annual Report of Chinese Maritime Customs.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to Aug. 16, 1928)

The world's wheat crop prospects have changed materially in the past month and the supply for the season July 1, 1928 to June 30, 1929 now seems likely to be larger than for last season, but the increase in supply will be offset largely by an increase in demand for wheat, according to the Foreign Service of the Bureau of Agricultural Economics.

Estimates and conditions reported to date from 22 countries indicate a production of about 2,420 million bushels, compared with 2,426 million produced in the same countries last year. The production of these same countries last year amounted to 69 per cent of the total world crop. Canada has a larger acreage and better crop conditions, which indicate a considerably larger crop than that of last year. Reports from the Southern Hemisphere indicate some increase in the area seeded. Conditions to date are generally favorable for the crop which will be harvested in December and January. Should the larger Canadian crop now in prospect materialize and average yields be obtained in Argentina and Australia, the world's supply of wheat for the 1928-29 season would probably be about 4 per cent larger than the supply available for the 1927-28 season.

It is still too early to appraise accurately the quality of the Northern Hemisphere crops. Should the crops of northern Europe and Canada prove to be of higher quality than last year, the resulting increase in millable wheat would probably be offset by the reduction in the European rye crop which would increase the demand for wheat. Reports to date indicate that the European rye crop may be about 75 million bushels less than last year.

A review of the world's consumption and prices of wheat through the past five years indicates that the world demand for wheat has increased at the rate of about 5 per cent per year, owing to increases in population, the tendency to shift from other breadstuffs to wheat in many countries, and improved purchasing power of consumers in many foreign countries. Although the high rate of increase in demand may not be continued through the coming season, it is reasonable to expect that the increase in production will be largely offset by the increase in the demand for wheat.

The increase in production in the United States indicated by August conditions is mostly in the supply of hard red spring wheat. The production of soft red winter wheat still appears to be about 40 million bushels less than last year, and the production of white wheat may be a little less than last year. The available supply of soft red winter wheat still appears to be less than the domestic requirements for this class of wheat, while supplies of all the other classes now appear to be equal to or in excess of domestic requirements.

Prospects for the 1928 crop

Canada

The 1928 wheat acreage in Canada is estimated at 24,064,000 acres of which 23,247,000 acres are spring and 817,000 acres are winter, according to a telegram to the Foreign Service of the Bureau of Agricultural Economics from the Canadian Dominion Bureau of Statistics. This is an increase of 658,000 acres over the July estimate and 1,604,000 acres over the 1927 estimate of total wheat acreage. Winter wheat production is placed at 21,445,000 bushels against 22,266,000 bushels in 1927, according to a preliminary estimate but no forecast or estimate of spring wheat has been issued by the Dominion Bureau. The condition of spring wheat on July 31 was 107 per cent when 100 per cent equals the average yield per acre during the years 1918-1927. This is 1.9 per cent above the condition of 105 reported at this time last year when the final estimate of production placed the yield of spring wheat at 19.3 bushels and the total crop of spring wheat was estimated at 417,759,000 bushels. The Dominion Bureau of Statistics has since intimated than the final estimate was probably too low but has not yet revised the figure. Should the improvement in conditions this year be maintained throughout the balance of the season and the yield be 1.9 per cent above last year's 19.3 bushels or 19.7 bushels to the acre, the 1928 spring wheat crop on the acreage now reported would be about 458 million bushels. Any upward revision of last year's official estimate of yield would raise this figure likewise. The highest yield of spring wheat reported in recent years is 21.6 bushels to the acre in 1923. Applying this figure to the present acreage estimate would indicate a spring wheat crop of 502 million bushels and a total crop 524 million.

Europe

Wheat conditions have improved somewhat in Europe also and production now reported in European countries equals 1,114 million bushels compared with 1,109 million last year. Adding rough indications for other European countries gives a total probable European crop, exclusive of Russia, of 1,285 million bushels, provided usual conditions prevail the balance of the year, compared with a total European crop of 1,260 million bushels last year, exclusive of Russia. These figures include the French forecast of 240 million bushels, on the basis of May 1 conditions. Growing conditions are reported to have improved since then, but recent private estimates place the crop at 230 to 257 million bushels. The German forecast is based on

conditions to July 1 assuming an acreage equal to last year. There was slight improvement in winter wheat conditions during July but spring wheat remained about the same and there are reports of considerable winter killing. The wheat crop in southeastern Europe appears to have been harvested early enough to escape the effects of the drought and harvests are excellent. Early samples from central Europe and the Balkans show good quality. For northern Europe there is little indication yet as to quality. Last year's crop was poor in quality but definite indications of this did not come in until in August and later.

Russia

The Russian wheat crop is not expected to give any surplus for export. The Ukraine, an important exporting province, is reported as having a smaller bread grain crop than last year. Winter killing was previously reported there and now reductions in the spring grain crop are reported in the Southern Steppe region, an important exporting region of the province, and the authorities are being instructed to grant reductions in agricultural taxes in numerous sections for this reason. Definite reports are not available on the crop in North Caucasus and the Volga, both important export regions, but it is generally reported that the crop condition is less favorable there than in the regions less easily accessible for exportation where crops seem to be above average. The government is revising its procurement policy to grain deliveries by the farmers, and compulsory measures to procure grain from the peasants have been abolished, according to official announcement. Grain procuring prices are to be increased 15 to 18 per cent, varying by regions and by classes of grain.

North Africa

The total North African crop, according to latest reports, is about 10 million bushels greater than last year. Threshing in Algeria, however, is reported to be less favorable than was expected, which may result in a reduction of the estimate for that country. No recent reports are available on rust appearance which was noted in Tunis a month ago.

Asia

The Asiatic crop so far reported totals 355 million bushels for India, Japan and Chosen, which is 40 million below the total for those countries last year. This decrease is partially offset by reports of good crops in some districts of China proper and Manchuria.

Southern Hemisphere

Early reports of the Southern Hemisphere crop are generally favorable. Official estimates of acreage are not yet available but private reports for both Argentina and Australia indicate increases. There will be a preliminary report of probable Argentine acreage on August 17. On the basis of private reports of a 5 per cent increase in Argentine acreage, a

yield equal to the average for the past five years would give a crop about equal to or a little better than last year's 239 million bushels. Private reports for Australia mention a 1.5 million acre increase in wheat area. Applying the five year average yield to this increased area would give a crop of 165 million bushels compared with last year's harvest of 110 million.

Rye and potatoes

The increase in the probable world wheat crop will be partially offset by probable decreases in European rye and potato crops. The rye crop in Europe is turning out less satisfactorily than wheat. Total rye production in 10 European countries reported to date is 514 million bushels compared with 590 million last year. Recent reports of conditions in central Europe are still less favorable. The total rye crop in 12 countries, including the United States crop and the Canadian winter crop, is 570 million bushels compared with 660 millions last year, when they accounted for 75 per cent of the estimated world total, exclusive of Russia.

Potatoes are also used in Europe as a substitute for wheat to a greater extent than in the United States. Only three European countries have reported potato production so far, the Netherlands, Hungary and Finland, totaling 185 million bushels compared with 187 millions in 1927. In Germany, Europe's most important producer, the condition as of August 1 was only 91 per cent of the average condition for the past ten years compared with 103 a year ago. For Poland, the next most important country, August 1 conditions were not reported but on July 1 they were below average.

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-13 present boundaries	1925	1926	1927	1928 prel. forecasts and estimates
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada, winter	(21,466)	23,325	21,785	22,266	21,445
spring	(175,653)	372,150	385,351	417,759	
United States, winter	690,108	401,734	627,433	553,288	578,599
spring		274,695	203,607	519,307	512,693
Mexico	a/ 11,481	9,440	10,333	11,519	11,025
Total countries reporting 1928	723,055	709,194	863,158	906,380	923,762
EUROPE					
England and Wales	55,770	50,773	48,683	53,116	44,837
Netherlands	4,976	5,577	5,487	5,096	6,026
France	325,644	330,844	231,767	276,128	b/ (240,000)
Spain	130,446	162,592	146,599	144,825	141,097
Portugal	c/ 11,850	12,090	8,560	11,439	6,577
Italy	184,393	240,845	220,644	195,808	235,157
Germany	131,274	118,213	95,429	120,522	d/ (110,000)
Austria	12,813	10,671	9,438	11,942	e/ 12,000
Hungary	71,493	71,675	74,909	76,933	89,470
Greece	c/ 16,273	11,222	11,171	f/ 13,300	16,534
Malta	196	274	310	294	289
Bulgaria	37,823	41,360	36,544	47,346	51,110
Rumania	a/ 158,672	104,741	110,883	96,734	113,904
Poland	63,675	57,797	47,080	54,230	b/ (45,000)
Finland	137	929	924	813	845
Total European countries reporting 1928	1,205,435	1,219,603	1,048,428	1,108,526	1,112,846
Other European countries excluding Russia	142,735	171,235	154,869	152,703	174,000
Total Europe excluding Russia	1,348,170	1,390,838	1,203,297	1,261,229	1,287,000
NORTH AFRICA					
Morocco	(17,000)	23,872	16,174	24,802	(28,000)
Algeria	35,161	32,724	23,551	28,323	35,090
Tunisia	6,224	11,758	13,044	8,267	11,942
Egypt	33,662	36,248	37,207	44,346	(40,000)
Total	92,047	104,602	89,976	105,738	115,000

Continued -

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928, cont'd.

Country	Average 1909-13 present boundaries	1925	1926	1927	1928 prel. forecasts and estimates
ASIA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
India	351,841	330,997	324,651	333,797	294,448
Japan	25,088	29,541	28,430	31,336	33,000
Chosen	6,898	10,509	10,517	9,042	8,526
Palestine, Cyprus, Syria and Lebanon	12,519	16,451	19,202	20,513	(18,900)
Total	396,346	387,498	382,800	394,688	355,000
Total 22 countries reporting in 1928	2,353,702	2,344,326	2,311,779	2,425,671	2,419,614
Total above N.Hemisphere countries excluding Canada spring	2,559,618	2,592,132	2,539,231	2,668,035	2,680,762
Est. N.Hemis. excluding Russia and China	2,759,000	3,026,000	2,981,000	3,136,000	
SOUTHERN HEMISPHERE					
Argentina	147,059	191,141	220,827	239,162	g/(240,000)
Australia	90,497	114,504	160,762	109,925	h/(165,000)
Other Southern Hemisphere	44,000	57,000	58,000	54,000	
Total, estimate	282,000	363,000	440,000	403,000	
Est. world total excluding Russia and China	3,041,000	3,389,000	3,421,000	3,539,000	
Russia, production	758,941	713,050	809,650	749,560	
Russia, net exports	160,000	27,000	49,000	(5,000)	

Compiled from official sources and International Institute of Agriculture except as otherwise stated.

a/ Four-year average. b/ Forecast on the basis of a correlation of May 1 conditions in past years with final reports of yield per acre and assuming average conditions for balance of season. Conditions are reported to have improved since May 1 so actual yield may be expected to be higher than here indicated. c/ One year only. d/ Forecast on basis of July 1 conditions. e/ Official estimate of winter wheat plus unofficial estimate for spring wheat. f/ Report from Consul Plitt estimates 1927 production at 16,428,000 bushels. g/ Unofficial reports mention a 5 per cent increase in acreage. This indication is made on the basis of a 5 per cent increase in acreage and a yield equal to the average of the past 5 years. h/ Private estimates of acreage sown mention an increase of 1,500,000 acres in area seeded. This rough estimate is on the basis of that increase, assuming a yield per acre equal to the average for the past five years.

RYE: Production, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada, winter	a/ 2,094	7,485	10.008	11,574	12,031
United States	36,093	46,456	40,795	58,811	43,274
Netherlands	16,422	16,396	15,644	13,594	13,582
Spain	27,636	29,880	23,504	26,515	26,381
Portugal	2,300	4,599	3,638	4,428	3,425
Germany	368,337	317,418	252,187	269,025	b/ (245,000)
Hungary	31,377	52,524	31,416	22,365	32,006
Greece	a/ 1,129	1,566	1,412	1,217	2,323
Bulgaria	8,345	7,154	7,133	8,243	9,015
Rumania	20,644	7,997	11,242	9,323	11,771
Poland	218,943	257,249	197,289	223,939	c/ 160,000
Finland	10,490	13,683	11,908	11,463	10,944
Total 10 European countries	705,623	688,466	553,373	590,112	514,447
Total 12 countries	743,810	742,407	604,176	660,497	569,752
Est. world total excluding Russia and China	1,025,000	1,012,000	812,000	887,000	

Compiled from official sources and International Institute of Agriculture except as otherwise stated.

a/ Estimate. b/ Rough estimate on basis of July 1 condition and assuming acreage equal to 1927. c/ Rough estimate on basis of June 1 condition and official report of acreage.

Durum wheat situation

There appears to be some increase in total durum wheat production in 1928 in the important producing countries exclusive of Russia. The biggest increase is in the United States. Total durum production in four states is estimated at 84 million bushels compared with 74 million last year. A rough estimate of durum production in other states would raise the total durum crop to about 89 million bushels compared with 80 million last year. The Canadian crop is expected to be increased, in view of present indications of an increase in the total wheat crop in the prairie provinces.

Italy is probably the most important durum producing country aside from the United States. It has been estimated from a report of the International Institute of Agriculture giving wheat varieties in Italy by provinces that about a fifth to a fourth of the total crop is usually durum. Applying the estimated percentages of durum in the various provinces to the crops of 1924, 1925 and 1926 would give total durum crops of 36, 64 and 52 million bushels respectively, for those years. Figures by provinces are not available for 1927 so it is impossible to give so careful an estimate for that year. A range of 20 to 27 per cent of the total crop shown in the three preceding years would give a durum crop in 1927 of 40 to 53 million, with the probability that the actual figure was nearer the lower figure than the higher, since there were reports of drought in southern Italy where the durum is grown and the durum crop for the country is believed to have been reduced more that the soft wheat. For 1928 a similar estimate of durum production on the basis of the preliminary report of total crop gives a durum crop of 47 to 63 million bushels. Conditions have been favorable in southern Italy this year. Durum production in Algeria and Tunis on the basis of present reports is indicated to be 35 to 40 million bushels compared with 29 million last year. Little is known of the Russian durum crop but reports on the general wheat situation indicate that there will be none for export. Last year Russian exports as indicated by imports into France and Italy were considerably less than half a million bushels. This year reports of poor conditions in the regions where durum is grown indicate little likelihood of any durum for export.

Last year United States durum exports as indicated by inspections for export and inspections of United States durum in Canada were only 21 million bushels compared with 25 million the year before. No report of Canadian exports is available but inspections in the western grain division indicated 2.4 million bushels more available for export than in the preceding year. Algeria exported nearly two million bushels more durum in 1927-28 than in 1926-27. Italian imports of durum are not available for the complete year 1927-28. Imports through April showed an increase over that period the preceding year, but not enough to make up for the indicated decrease in production.

DURUM WHEAT: Inspections and trade in specified countries, years beginning July 1, 1925-26, 1926-27

Country and movement	Year beginning July 1		
	1925-26	1926-27	1927-28
EXPORTING COUNTRIES	1,000 bushels	1,000 bushels	1,000 bushels
United States -			
Inspections in United States a/	4,170	611	3,496
Inspections in Canada, Eastern Division	22,800	24,400	17,800
Total United States wheat	26,970	25,011	21,296
Canada -			
Inspections in Western Division b/	7,500	13,000	15,400
Russia, imports into Italy	1,656	2,534	e/ 177
imports into France c/	d/ (81)	d/ 674	e/ 24
Algeria	f/ (5,655)	1,770	e/ 3,550
IMPORTING COUNTRIES			
Italy, total imports	16,049	20,419	e/ 18,471
France -			
Total imports	g/ (4,694)	9,804	e/ 6,139
Imports for consumption	g/ (3,257)	3,954	e/ 4,752

Taken from official sources of the reporting countries and the International Institute of Agriculture.

a/ Does not include durum in wheat classified as mixed. b/ Includes a small amount of mixed wheat. c/ Total imports of durum into France from Russia, rather than imports for consumption. d/ Half-year January-June in 1925-26 and July-April in 1926-27. Comparable figure for 1926-27 is 344,000 bushels. e/ French and Italian imports July-April; Algerian exports July-March. f/ Total exports of durum and other wheat. In 1926-27 durum exports were 88 per cent of the total wheat exports. g/ Half-year January-June. Comparable figures for 1926-27 for total imports were 2,687,000 bushels and imports for consumption 449,000 bushels.

DURUM WHEAT: Inspections and trade in specified countries, years beginning July 1, 1925-26, 1926-27

Country and movement	Year beginning July 1		
	1925-26	1926-27	1927-28
EXPORTING COUNTRIES	1,000 bushels	1,000 bushels	1,000 bushels
United States -			
Inspections in United States a/	4,170	611	3,496
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imports into France c/	d/ (81)	d/ 674	e/ 24
Algeria	f/ (5,655)	1,770	e/ 3,550
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The wheat crop of the United States

August 1 conditions indicated a production of 891 million bushels of wheat in the United States, as compared with 873 million bushels last year and a five year average of 808 million bushels. The hard red winter and durum wheat crops appear to be larger while the production of other classes of wheat was smaller than last year.

WHEAT: United States production by classes, 1923-1928

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum a/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1826	831	121	229	360	48	73
1927	872	199	181	318	80	94
1928						
(July)	800	155	122	368	82	74
(August)	891	195	139	386	89	82

These production estimates are based upon percentages of area, by classes, in 1924, supplemented by percentages in 1923.
a/ Crop estimates of four states plus 1924 indications in other states.

It appears that the United States will have an exportable surplus of hard red winter, durum, and white wheats. About 75 million bushels of hard red winter wheat were exported from the crop of 1926, which was about 20 million bushels less than the August crop report of this year. Probably somewhat more than the usual amount of hard red winter and white wheats will be retained in the country to make up in part the deficit of soft red winter wheat. From the white wheat crop of 1925, which was about the same as indicated for this year, we exported about 16 million bushels. Our exports of durum will depend largely upon foreign demand for that wheat. Since the North African and Italian crops appear to be better than last year, and Canada, where the production of durum is increasing, seems likely to have a good crop, the demand for durum seems likely to be limited as it was in the past year. The situation as it now appears suggests that the United States may export from 80-90 million bushels of hard red winter wheat, 15 to 20 million bushels of white, about 20 million bushels of durum, and from 15 to 20 million bushels of hard red spring and soft red winter wheats.

Carryover or stocks on July 1, 1928

The United States Census report of mill stocks provides data for a more complete estimate of total wheat stocks in the United States. Adding estimates of stocks in transit and held by commercial mills based on Census reports to stocks previously reported brings the total of estimated wheat stocks in the United States as of July 1, 1928, to 128 million bushels, as compared with 124 million bushels in the same position as of July 1, 1927. The accounted for stocks of wheat on July 1, 1928 for all countries now amount to 346 million bushels, as compared with 323 million bushels as of July 1, 1927, an increase of 23 million bushels.

WHEAT: Supply and stocks in principal exporting countries, United Kingdom and afloat, year beginning July 1, 1925-1928

Country and item	July 1, 1925	July 1, 1926	July 1, 1927	July 1, 1928
	Million bushels	Million bushels	Million bushels	Million bushels
United States, total stocks a/	114	98	124	128
Canada:				
Visible supply b/	37	40	49	99
Argentina c/	47	49	d/ 58	e/ 42
Australia c/	18	17	f/ 33	g/ 17
United Kingdom:				
Port stocks	9	4	8	10
Afloat to United Kingdom	13	16	14	12
Continent, afloat to	13	22	21	22
Afloat for orders	17	11	16	16
Total	268	257	323	346

a/ See table, page 21. b/ Bradstreet's visible supply. c/ Available for export and carryover. d/ Exportable surplus as of July 12, 1927 was officially reported at 52 million bushels. Exports from July 1 through December 31, 1927 were 40 million bushels plus 18 million bushels carryover, totals 58 million bushels as actually available July 1, 1927. e/ Exportable surplus as of July 12, 1928 was officially reported at 37,652,000 bushels. Exports from July 1 through July 7 were unofficially reported at 2,646,000 bushels. Assuming exports through July 12 to be approximately 2 million bushels, gives an exportable surplus of 42 million bushels as of July 1, 1928. f/ Exportable surplus as of July 1, 1927 was reported at 28 million bushels, but production of 160,587,000 bushels less 45,000,000 bushels home consumption less exports January-June, 1927, gives a balance of 33 million bushels available for export the balance of the year and for carryover. g/ Production of 109 million bushels plus a carryover of 4 million bushels less 45 million home consumption less official reports of exports January-March, 1928, and unofficial reports of weekly shipments April 1 to June 30.

Wheat prices

Wheat prices continued to decline through July. By the middle of July farm prices had dropped to 118 cents per bushel, 14 cents below the June figure and 9 cents below July last year. The average of all classes and grades at six markets dropped from an average of 137 for the week ending July 6 to 118 for the week ending August 3, which was 16 cents below that of the corresponding week last year.

The price of all classes of wheat declined, the winter wheats declining more than the spring wheats. The average cash price of No. 2 hard winter at Kansas City dropped 22 cents; No. 2 red winter at St. Louis 28 cents; at Minneapolis No. 1 dark northern spring dropped 12 cents, and No. 2 amber durum 17 cents. The futures market continued to decline through the second week of August. September futures at Chicago closed at 118 on August 3 and 109 on August 10. Liverpool futures closed on August 9 at the equivalent of 134 cents per bushel, 31 cents under the price on the corresponding date last year.

The hard red winter wheat seems to be averaging slightly lower in protein than last year, and higher premiums are being paid for high protein.

The August estimate indicates an increase of about 17 million bushels in the soft red winter wheat production of the United States, but the estimated crop is still about 40 million bushels less than last year, which was short of the usual domestic requirements. Last month's statement may be repeated that "farmers should remember last year's experience when prices fell to relatively low points during the early marketing season, then rose to high points at the end of the season after some of the soft red winter wheat had been exported. Although the highest prices paid in the past season may not be reached this season, the soft red winter wheat price level for the year should work out about equal to the average for the past season".

Improvement in the hard red spring wheat crop indicates that the supply of that wheat may be about equal to that of last year, and the market for hard red spring wheat, therefore, is likely to be upon an export basis for a part of the year, at least. There appears to be an abundance of hard red winter white and durum wheats. The prices for these classes of wheats, therefore, are likely to be determined throughout the year by the world market price levels.

The world wheat supply situation now seems somewhat similar to that of 1923, when the world harvested the largest crop that had been harvested up to that time, and prices fell to a low point in the first part of the marketing season. In comparing with the 1923-24 marketing season the increase in the purchasing power of European consumers and the increase in demand for wheat through the past five years must not be overlooked. In 1923 farm prices reached their low point in August and ended the year considerably above the July and August prices. Heavy marketings in the beginning of the season tend to depress prices too much. See charts at end of report.

WHEAT: Weighted average cash prices at stated markets

Months and weeks	All classes six markets	No. 2 hard winter Kansas City	No. 1 dk.N.spring Minneapolis	No. 3 amber durum Minneapolis	No. 2 red winter St. Louis
	Year beginning July 1				
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	139	126	136	120	158	147	153	123	141	147
August	136		135		150		140		142	
September	129		131		137		128		142	
October	125		128		134		125		145	
November	126		131		134		128		141	
December	128		132		137		132		144	
January	131		133		143		130		151	
February	132		133		142		129		156	
March	137		138		147		133		169	
April	151		152		163		141		196	
May	151		160		178		140		196	
June	142		147		153		131		179	
July 6	146	137	141	136	158	153	156	132	147	172
13	143	132	139	128	160	149	156	124	143	155
20	138	129	136	126	156	146	153	119	141	151
27	136	122	134	118	161	138	149	117	139	147
Aug. 3	134	118	133	114	155	141	152	115	137	144
10	139		137		160		164		143	

WHEAT: Closing prices of July and September futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
	July futures											
July 5	146	136	136	128	144	136	162	138	164	151	142	133
12	143	131	---	125	140	132	161	132	163	144	142	129
	September futures											
19	138	128	131	120	137	126	b/146	b/127	b/159	b/146	142	130
26	138	124	130	116	138	121	b/145	b/121	b/161	b/138	142	125
Aug. 2	138	120	131	112	140	117	b/146	b/121	b/159	b/139	142	123
9	142	113	134	105	144	110	b/152	b/114	b/165	b/134	144	113
16	141		133		141		b/150		b/164		144	

a/ Prices are as of day previous to date of other market prices. b/ October future.

The world's supply of bread grains and the price of wheat

It is generally recognized that the price of wheat in the primary markets of the world is affected to a marked degree by the world's supply. A review of several years indicates clearly that variations in supply are the dominant factors but the price may be modified to some extent by other conditions. A review of supplies and price also indicates clearly that in the past five years there has been a definitely upward trend in the demand for wheat. The world's wheat crop, exclusive of Russia and China, for 1923 was the largest crop that had been harvested up to that time. This large crop resulted in low prices, No. 2 hard red winter wheat at Kansas City averaging 104 cents per bushel and the average of British parcels prices was equivalent to 121 cents per bushel. Low prices and unfavorable seasons resulted in some curtailment of production in the next two years and prices rose. The larger crops of 1926 and 1927 again resulted in lower prices. The 1927 wheat crop was almost equivalent to the 1923 crop. Adding larger stocks would bring the estimated supply of wheat to within 10 million bushels of that of 1923. No. 2 hard red winter wheat at Kansas City averaged nearly 141 cents and British parcels prices averaged nearly 154 cents per bushel. In other words, a supply of wheat in the 1927-28 season approximately equivalent in bushels to the 1923-24 supply brought on these markets respectively 37 and 33 cents more per bushel. There are two other factors in the 1927 situation to be taken into account. One is a reduction of about 90 million bushels in the rye crop and the other poor quality of crops in some of the European countries and in Canada. Making allowances for these factors, a considerable increase in demand is apparent.

The distribution of the crop is an important factor in the price situation. The 1927 European crop, outside of Russia, was about the same as that of 1923, but Europe imported in the 1927-28 season nearly 90 million bushels more wheat even at the higher prices. The increase in imports was in part to offset a difference of 28 million bushels in the rye crop and some reduction in the milling quality of the domestic wheat crops. The present prospects are that European wheat production, outside of Russia, will be only slightly, if any, larger than last year and that the rye crop will be reduced from 60 to 70 million bushels below last year. The European wheat requirements, therefore, are likely to be increased considerably. Under these conditions, Europe may import about 650 million bushels of wheat, or about 150 million bushels more than in the 1923-24 season.

WORLD SUPPLY: Wheat and rye in terms of wheat, and prices of No. 2 hard red winter at Kansas City and of British parcels, 1923-24 to 1928-29

Year	World production of rye in terms of 60-lb. bushels	World supply of wheat: Production exclusive of Russia and China	Shipments from Russia	World stocks July 1	Total wheat supply	Total supply wheat and rye	Price of wheat: No.2 hard red winter at Kansas City	Price of wheat: British parcels b/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents	Cents
1923-24	863	3,551	21	305	3,877	4,740	104.4	121.2
1924-25	692	3,141	1	335	3,477	4,169	146.4	178.9
1925-26	945	3,389	27	268	3,684	4,629	166.8	170.1
1926-27	758	3,421	49	257	3,727	4,485	133.9	164.3
1927-28	772	3,539	5	323	3,867	4,639	140.6	153.7
1928-29				346				

a/ Rye, bushels reduced to terms of wheat, weighed bushels on the basis of one bushel of rye = 14/15 bushel of wheat.
b/ From a series computed by Food Research Institute in bulletin of July, 1928, on "British Parcels Prices".

WHEAT: European production and imports, and Liverpool prices, 1923-1928

Year beginning July 1	European supply of wheat outside of Russia: Total European production	Net European imports	Total supply	Estimated European rye production excluding Russia	Price British parcels a/
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	1,257	503	1,760	826	121
1924	1,051	597	1,648	652	179
1925	1,391	474	1,865	938	170
1926	1,203	607	1,810	747	164
1927	1,260	590	1,850	798	154
1928	1,270				

a/ Series computed by the Food Research Institute in bulletin issued July, 1928, "British Parcels Prices".

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 to 1927-28

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28	Net exports reported: July -	1927-28	1928-29
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Mill. bus.	Mill. bus.
United States	132	255	92	206	191	Aug. 4	15	8
Canada	343	194	320	305	305			
Russia	21	1	27	49	7	July 28	0	0
British India	18	45	7	9	12	Aug. 4	5	1
Hungary	17	15	19	21	20			
Rumania	a/ 6	4	8	9	5			
Bulgaria	a/ 2	a/b/-2	4	2	2			
Yugoslavia	a/ 6	9	12	10	1			
Algeria	a/ 9	b/ 1	5	c/ -1	4			
Argentina	170	125	100	140	186	Aug. 4	11	11
Australia	83	124	77	97	74	Aug. 4	8	6
Total all countries listed	807	769	671	847	807			

a/ Year ended July 31. b/ Net imports. c/ Net imports, 10 months.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1923-24 to 1926-27 and estimates of probable imports 1927-28 as indicated by reports to date

Country	Year beginning July 1: 1923-24	1924-25	1925-26	1926-27	1927-28 prel.	Month	Net imports reported: 1926-27	1927-28
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels		Million bushels	Million bushels
Great Britain	210	216	188	218	194	July-June	218	194
Italy	70	96	64	87	74	June	87	74
Germany	30	71	56	94	93	June	94	93
France	51	41	34	53	55	May	46	51
Belgium	40	39	39	42	43	May	38	38
Netherlands	27	26	27	28	31	June	23	31
Czechoslovakia	19	23	19	21	21	June	21	21
Greece	19	22	a/(22)	a/(22)	(20)	b/		b/
Irish Free State	--	19	18	19	18	May	18	17
Austria	17	16	15	17	15	March	17	12
Switzerland	16	14	14	17	18	June	17	18
Sweden	12	11	6	6	9	June	6	9
Norway	6	5	6	6	6	May	6	6
Denmark	9	6	6	7	11	May	6	10
Finland	5	4	5	5	5	May	4	5
Poland	3	14	5	7	6	May	7	6
Total above European countries	534	623	517	649	619		613	585

a/ Rough approximation. b/ Not available for 1927.

The Canadian wheat crop of 1927

The Canadian Bureau of Statistics stated in the April Bulletin of Agricultural Statistics that the reports of stocks in various positions indicated a probable underestimate in the size of the 1927 crop. The Dominion Bureau has not yet revised the 1927 production estimate. Official reports on shipments from the farm, mill grindings, exports, etc. are now nearly enough complete, however, to constitute a partial check on the size of the crop. They tend to confirm the statement that it is underestimated, and indicate that the crop was probably nearer 470 to 480 million bushels than the early official estimate of 440 million.

The conclusion that last year's Canadian crop was underestimated may be arrived at in either of two ways, from country inspection and platform loadings or from the accounted for utilization of the crop. Country shipments reported to date for the season amount to 409 million bushels, about 41 million bushels would have to be retained for seed and the government estimated that about 28 million bushels of unmerchantable grain would be fed on the farms, which would total 478 million bushels already accounted for without any increase in the carryover on the farms. Studying the distribution of the Canadian crop between August 1, 1927 and July 31, 1928, we find grain exports amounted to about 286 million bushels, increase in visible stocks 32 million, mill grindings 91 million, seed 41 million, feed 28, loss in cleaning 13, all of which total 491 million bushels. Possibly some of the wheat which early in the season was thought to be unmerchantable has been merchandized. Reducing that figure by 10,000,000 bushels would leave 468 to 481 million bushels to be accounted for in the supply for the year in addition to the farm stocks.

CANADA: Distribution of wheat crop, 1924-1927

Item	Year beginning August 1			
	1924	1925	1926	1927
SUPPLY	1,000 bus.	1,000 bus.	1,000 bus.	1,000 bus.
Stocks on farms beginning of year	7,363	2,709	3,987	4,264
Production (estimated)	262,097	411,376	407,136	440,025
Grain not merchantable	12,001	11,213	12,294	a/ 27,598
Retained for seed	38,452	39,840	39,305	b/ 40,600
Estimated net supply for shipment	219,007	363,032	359,524	376,091
DISTRIBUTION				
Receipts at country elevators	200,558	329,821	310,880	)
Platform loadings	19,465	28,832	28,769	)c/410.000
Total grain leaving farms	220,023	358,653	339,649	(410,000)
Balance to account for	- 1,016	4,379	19,875	-(34,000)
Stocks on farms end of year	2,709	3,987	4,264	d/ (4,000)
Balance unaccounted for	- 3,725	- 492	+ 15,611	(-38,000)

Compiled from official Canadian reports except as otherwise noted.
a/ The Dominion Bureau of Statistics has stated that its estimate may be too large, that "doubtless considerable quantities of wheat earlier thought to be unmerchantable have not proved a total loss". The largest amount of unmerchantable grain in earlier years was 19,395,000 bushels from the bumper 1923 crop of 474,199,000 bushels. b/ Assuming a percentage increase over last year equal to the increase in spring wheat seedings. c/ Assuming receipts at country elevators for last week in July and platform loadings each of last two weeks to be equal to those of preceding week (407,000 total through July 13). d/ Assuming stocks to be approximately equal to those of past two years.

WHEAT: Supply and distribution in Canada, 1924-1928

Item	Year beginning August 1				
	1924	1925	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Supply -					
Carryover beginning of year	41,119	25,454	34,818	47,839	a/ (80,000)
Production (estimated)	262,097	411,376	407,136	440,025	
Imports during year	619	379	407	(500	
Total supply	303,835	437,209	442,361	488,000	
Distribution -					
Mill grindings	81,850	85,279	80,997	b/ 91,000	
Retained for seed	38,452	39,840	39,305	c/ 40,600	
Total domestic, accounted for	120,282	125,119	120,302	132,000	
Exports of grain	146,958	275,557	251,266	d/ 286,000	
Total accounted for disappearance	267,240	400,676	371,568	418,000	
Carryover	25,454	34,818	47,839	a/ (80,000	
Total accounted for distribution	292,694	435,494	419,407	(498,000	
Estimate, fed on farms because unmerchantable	13,001	11,213	12,294	e/ 27,598	
Estimate, loss in cleaning	9,986	6,294	19,117	13,200	
Balance fed on farms, lost in cleaning and errors of est.	11,141	1,715	22,954	- 10,000	

Compiled from official Canadian sources, except as otherwise noted.

a/ Assuming total of amounts in farmers' hands, country mills and in transit to be equal to the corresponding total the previous year.

b/ Assuming mill grindings in July to be 10,500,000 bushels or about equal to those of the previous month.

c/ On the basis of a percentage increase over the previous year equal to the per cent increase in area of wheat seeded.

d/ Assuming a 30 million bushel export in July.

e/ Probably too large. The largest amount reported in earlier years was 19,395,000 bushels from the bumper 1923 crop of 474,199,000 bushels.

Supply and distribution of United States wheat crop

Last year the United States raised 872 million bushels of wheat, supplemented by a carryover of 124 million bushels and imports of 16 million bushels, making a total supply of 1,012,000,000 bushels as compared with 942,000,000 bushels in 1926 and 806,000,000 bushels in 1925. This year's total supply, based on August 1 estimates of production and allowing for imports will be even larger than last year. During the crop year beginning July 1, 1927, approximately 146 million bushels of wheat were exported as grain, 565 million bushels were ground into flour by mills, and 94 million bushels were used for seeding.

Exports of grain appear to be 10 million bushels less than last year. Commercial mills apparently have used only one million bushels more of the 1927 crop than they did of the 1926 crop. These millings seem to have been used up by increased consumption as the increase in flour stocks of merchant mills on July 1, 1928 was equivalent to only about one million bushels more than last year, the visible supply was approximately unchanged, and exports of flour were less than last year.

Of the total estimated supply of 1,012,000,000 bushels last year there was an accounted for disposition of 805,000,000 bushels for milling, exports as grain and seed, and 128,000,000 bushels retained as carryover as against an accounted for disposition of 808,000,000 bushels out of a supply of 942,000,000 bushels in 1926 with a carryover of 124,000,000 bushels. In 1926 there was an unaccounted for disposition for feed, loss and other uses of 10,000,000 bushels, but last year this figure increased to 79,000,000 bushels.

WHEAT: Supply and distribution in the United States, 1925-1928

Item	Year beginning July 1			
	1925	1926	1927	1928
	Million bushels	Million bushels	Million bushels	Million bushels
Supply:				
Stocks on farms July 1	29	21	27	23
Country mills and elevators	25	29	22	19
Commercial visible (Bradstreet's)	29	16	26	42
In merchant mills and elevators a/	22	25	37	33
In transit	9	7	12	11
Total stocks	114	98	124	128
Imports (grain only)	16	13	16	---
Production	676	831	872	891
Total supply	806	942	1,012	1,019
Distribution:				
Mill grindings (merchant mills) a/	534	554	555	
Mill grindings (custom and small mills)	10	10	10	
Seed requirements	82	88	94	
Total domestic accounted for	626	652	659	
Exports (grain only)	63	156	146	
Disappearance accounted for	689	808	805	
Carryover (including wheat of merchant mills in transit)	98	134	128	
Total supply accounted for	787	952	933	
Disappearance unaccounted for b/	19	10	79	

a/ Census Bureau, Department of Commerce, raised to represent all merchant mills.

b/ Difference between total supply accounted for and total supply. Includes wheat fed to livestock, waste, loss and errors in estimates.

The Continental European Wheat Situation During July a/

Continental European wheat markets have had to contend with two unusual and opposing developments during July, one, the sudden and unexpected entry of Russia as a buyer of wheat, and the other, a simultaneous and continued improvement in crop prospects in many of the world's important wheat producing countries. The delayed and rather uncertain crop in Europe itself has been especially favored by recent ideal maturing weather and has gone ahead during the month to assure better than an average crop and also more than last year's production. For a time during the first part of the month, heavy Russian purchases at all the leading Continental ports,- Hamburg, Rotterdam and Antwerp, as well as Italian ports - sustained prices in the face of bearish crop reports, but the latter soon gained the greater weight and have been the dominant factor throughout the month, in spite of some continued Russian buying. The resultant sharp fall of prices has caused Continental buyers generally to adopt a waiting attitude, even though available stocks, at the ports as well as inland, have recently been much reduced, and though current requirements continue large, especially in Northern Europe where the crop is still delayed, and some way off. Markets improved the first 11 days of August with a fairly satisfactory turnover of wheat and wheat flour everywhere.

Russian purchases during July are variously estimated at from 7 to 18 million bushels, assuming imports to be all wheat, but the top figure is probably too high, even though there can be no doubt that such commitments have been large. Russian buying continues up to the present time, but is not expected to last much longer, as the new crop grain will soon be available in volume. Russian foreign purchases to date are destined chiefly for supplying the larger Russian consuming centers, but it is of interest to note that some shipments are reported from Italian ports to Russian Black Sea ports, which may be indicative of some shortage even in secondary consuming centers. Some of it is being bought for seed.

The effect of the recent Russian buying has been to reduce materially the stocks of grain in Western European ports as well as the supply in near positions. Continental flour mills and the grain trade generally are, therefore, entering the new season with relatively small supplies on hand. This stronger current position has been reflected during July in a tendency for local prices to hold up better than in overseas markets, and also in an improved demand for overseas flour in the face of weakness in the grain and flour markets. Relatively good purchases of flour are reported. The volume of wheat purchases during the month, although limited largely to immediate current requirements, has been relatively satisfactory considering the extreme weakness of prices.

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a/ Agricultural Commissioner Loyd V. Steere. Report of August 1 supplemented by cable of August 11.

The probable role of Russia in the international grain market during the coming year, while still uncertain, now promises to be not greatly different from that of the past season. Russian reports on the condition of this year's grain crops are generally optimistic on the whole, the yield having been estimated recently by Commissar Rykov at 88,840,000 short tons as compared with 80,040,000 short tons last year, but the important factor is that the condition of the bread grain crops, and especially of the winter wheat crops, is relatively less favorable than for other cereals, being below average in all parts of Russia. Crop conditions, moreover, are least favorable in the districts important from the standpoint of exports, namely Ukraine and North Caucasus, than in other parts of Russia, and the acreage of winter grain is known to have been heavily reduced by winter kill, many estimates placing this at around 13 to 14 million acres. It appears probable that Russian bread grain crops will be smaller than last year, even for the country as a whole, as Russian reports already state that this is the case in the important southern and central regions of Russia. Eastern Russia and Siberia apparently have excellent crops this year, but these supplies must be transported long distances and will mean a great transportation problem.

Some reports have stated that Russian peasants still hold large stocks of old grain, but there is good reason to doubt that this is the case in regions important from an export standpoint, as North Caucasus last year had a rather poor crop, and as the procuring campaign in Ukraine was relatively successful this year. Reports of seed shortage in North Caucasus and of extensive resowing to replace winter killed grain in Ukraine also tend to discount such reports. Furthermore, some Russian officials have stated recently that peasants' grain stocks have been over-estimated.

Generally speaking, it seems very unlikely that Soviet officials will attempt to export any significant quantities of bread grain this year after the experience of the past few months, especially since the outlook for the success of the new procuring campaign is entirely in the dark. The present attitude of the peasant is one of refusal to sell his surplus grain freely.

As to how large this year's continental grain crop will be, is still difficult to estimate with any degree of accuracy in the absence of official reports for some of the important countries. On the basis of the official estimates so far published, and early private estimates for other countries, it now appears certain, however, that this year's continental crop, thanks chiefly to a good harvest in the Danube Basin and in southern Europe, will be larger than last year and also above the average of the past five years.

In arriving at an idea of the new year's import requirements in Europe, the large quantity of last year's grain crop which was unfit for milling must be taken into account; in France and Germany combined possibly around 30 million bushels were unmillable. As reports on the

quality of this year's crop are generally favorable, there will probably not be more than half as much unmillable grain this season, which makes it possible to subtract roughly 15 million bushels from the amount the Continental countries will import from overseas during the 1928-1929 season.

The estimates for Germany and France must be looked upon as subject to considerable change inasmuch as very little reliable information on these crops is yet available. The condition of the German crop on July 1 was practically the same as a year ago, but the much better maturing weather experienced this year seems likely to be offset by possible under-estimation of the effect of winter kill. Trade estimates of the French crop are very difficult to reconcile, varying from 220 to 275 million bushels, depending upon whether the official estimate of 276 million bushels for last year's crop is accepted, or whether, as in some cases, 294 to 312 million bushels is taken as more nearly accurate. Certain authorities holding to the latter figure are estimating the outturn this year at 257 to 275 million bushels; the other group is mostly below 257 million.

The estimates of the Italian crop still vary considerably, or from 213 to 240 million bushels, the Minister of Economics having recently used the figure 235 millions. This office is inclined to look upon 225 to 230 million bushels as a better estimate, considering the recent reports of heat damage to the northern Italian crop. Belgium has shared to some extent the not entirely satisfactory growing season reported for northern France, but more satisfactory conditions have apparently existed in northern Belgium, extending into Holland, whose crop this year is thought to be better than last year. Czechoslovakia and Austria report very satisfactory prospects, but last year's crops in these countries were also good and it is not yet clear that the outturn will be better than in 1927.

The Danube Basin now promises to have a wheat crop 15 to 20 per cent above last year, if the early estimates are borne out. Hungary has steadily increased its ideas of the yield, and Yugoslavian reports are also extremely optimistic as to the outturn, press reports having gone so far as to estimate the crop at practically twice last year's low yield. Rumanian estimates have also become steadily more optimistic in recent weeks, and the first official report of the crop is nearly 18 per cent above last year, but some persistent reports of unsatisfactory conditions in Bessarabia and of irregularities in Moldavia make it seem probable that this figure will be lowered rather than raised. The first Bulgarian official forecast is about 10 per cent above last year, but drought which became acute after that report may cause a lowering of this year's estimate.

The condition of this year's Continental rye crop is generally less satisfactory than that of the wheat crop, as winter kill seems to have been more significant. Generally speaking, the outlook is that production in the most important countries may not be far from last year's.

Germany

German bread grain and flour markets have been characterized throughout July by extremely cautious buying, purchases being confined strictly to current needs with prices sliding steadily downward under the pressure of better crop reports from nearly every important producing land. About the only development of any consequence running counter to the general tendency was the sudden entry of Russia as a buyer at the western port markets, which served to check the downward price trend during the first part of the month.

It is to be noted, however, that German market prices have been relatively better sustained than overseas quotations during the recent sharp fall. This is to be attributed partially to the heavy Russian purchases of spot and near positions, but mainly to the steady lowering of available supplies of both domestic and imported grain which has been going on in recent weeks. Stocks are now relatively low and there is a certain amount of buying developing from time to time that indicates the continued existence of important current requirements, which have to be covered largely from overseas grain. Although prices were weakening, some additional domestic wheat and rye was put on the market, but this has exerted no special pressure on the market, the lower domestic quotations being due to the world market fall. Also of some interest for the German market has been the disappearance of Polish buying resulting from the government prohibition on rye flour and wheat imports announced July 12 and effective the same date.

That German wheat stocks have been steadily falling seems clearly indicated by figures on visible stocks at Berlin, the most important interior market. On July 31 these amounted to only 599,500 bushels as compared with 952,460 bushels on June 30, 1,141,730 on May 31, and 1,385,995 on April 30. Increased movement from the ports toward southern and western interior centers since the middle of June at the same time points to reduced stocks and larger requirements there. German imports during July amounted to 7,716,000 bushels compared with 10,190,000 in July a year ago.

COMMENTS ON QUESTIONNAIRE CHECKING UP ON MAILING LIST

Of the readers of Foreign News on Wheat replying to our questionnaire, 290 made definite comments upon this publication. These comments are all helpful in making the releases fit the needs of the readers, as is the knowledge that they are being used to advantage by growers and marketing organizations in shaping their crop and market policies. Of the 290 comments 249 expressed unqualified satisfaction with the material as issued, a few of them making suggestions for further improvement. In all, 58 readers offered suggestions, only one criticising the work adversely and that one admitting that it is useful.

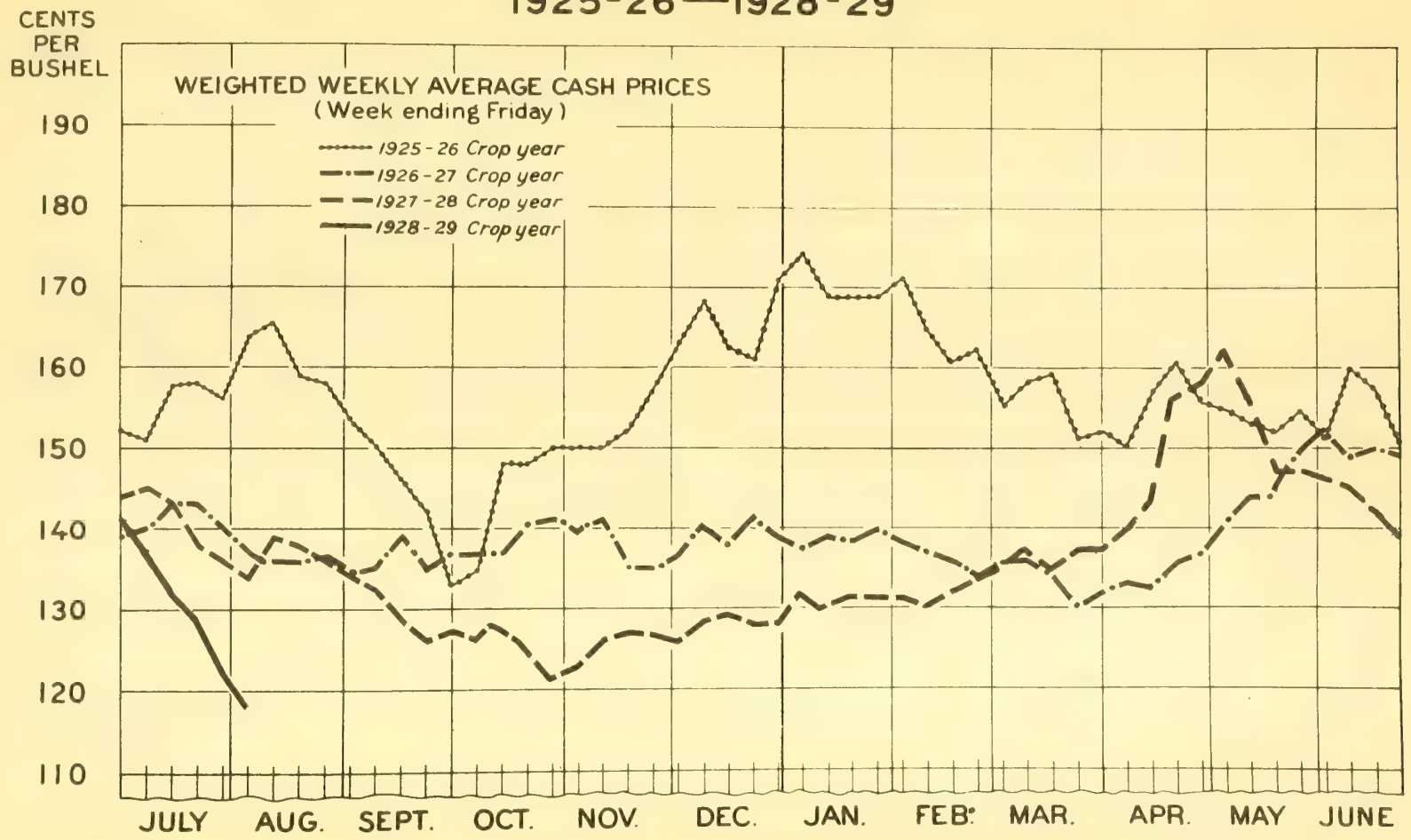
It is obvious that the readers of this publication have a great variety of interests. Some want brief reports on a few points and others want comprehensive surveys of the entire wheat situation, further analysis, and greater stress on the outlook for the future. Some request a speedier handling of material and a release date nearer to the close of the period to which the statistical information applies and also more frequent reports. Some want more complete information on crop conditions and harvests and more comparison with earlier years, a few want more news on Russia and China, and the Southern Hemisphere, and one requests early information on the protein content of the domestic crop. Others want more detailed information on marketing, such as the movement and prices of the various classes and grades of wheat produced in the United States, sales figures on exports by weeks, export and import figures of various countries of importance in the wheat trade based on the crop years of those countries. Some want more stress on the price situation, and conditions as they bear on the price outlook.

For those who want a brief report, an effort will be made to put at the beginning of each report a summary of the situation. Some of the delays in getting out the report can not be avoided as some time is required to prepare any comprehensive survey of the situation, and delays in handling the report after it is completed are sometimes unavoidable. There is a constant effort, however, to hasten the date of release. The situation in China is now being handled by our Agricultural Commissioner stationed in the Orient who has made a careful survey of conditions and who has started sending in regular reports on the situation there. Studies of the relation of weather to crops in the Southern Hemisphere and contacts in those countries are building up our background for early indications of the crops there. All of the other suggestions will be studied carefully with the object of adopting as many as possible.

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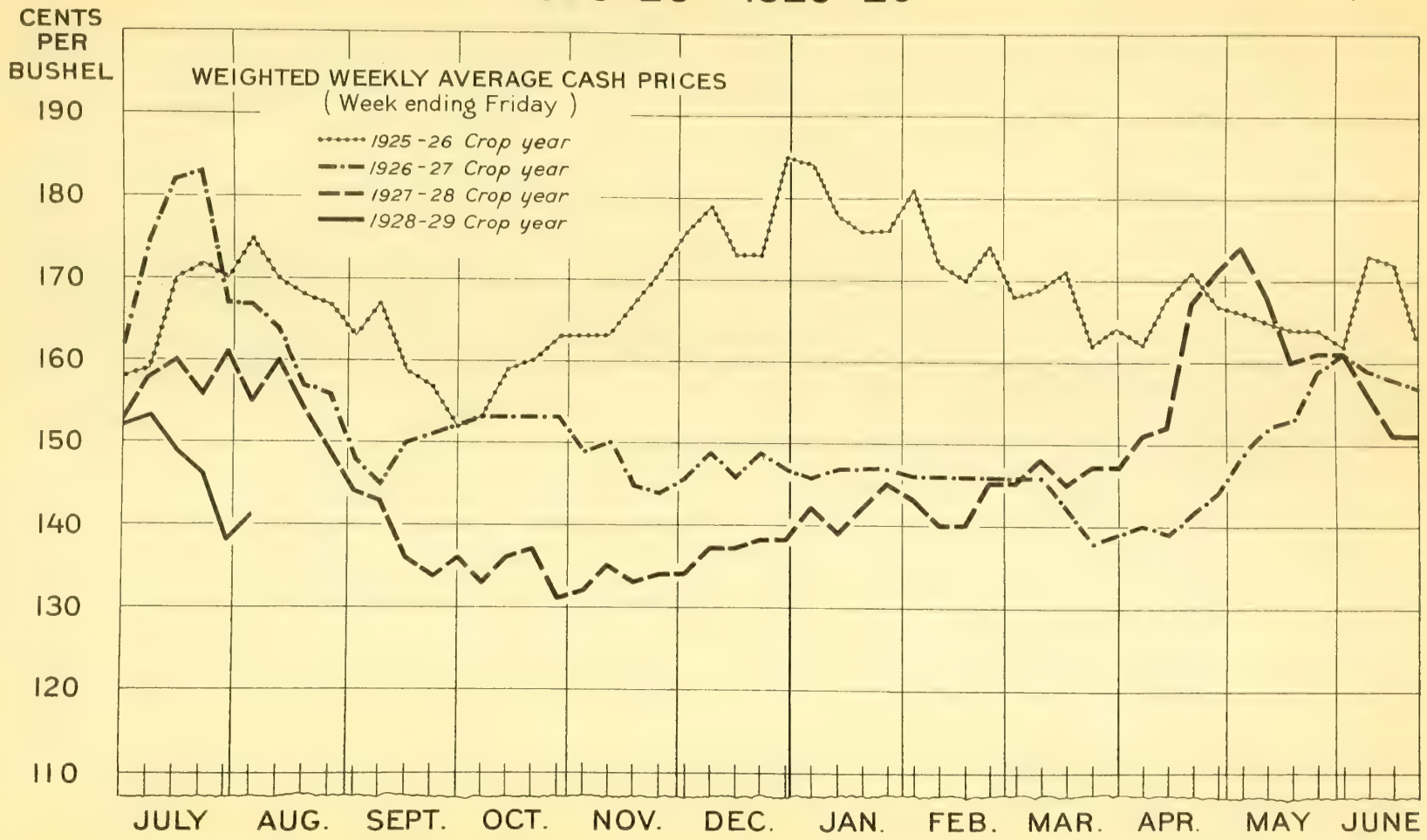
WHEAT: PRICE OF ALL CLASSES AND GRADES AT SIX MARKETS 1925-26—1928-29



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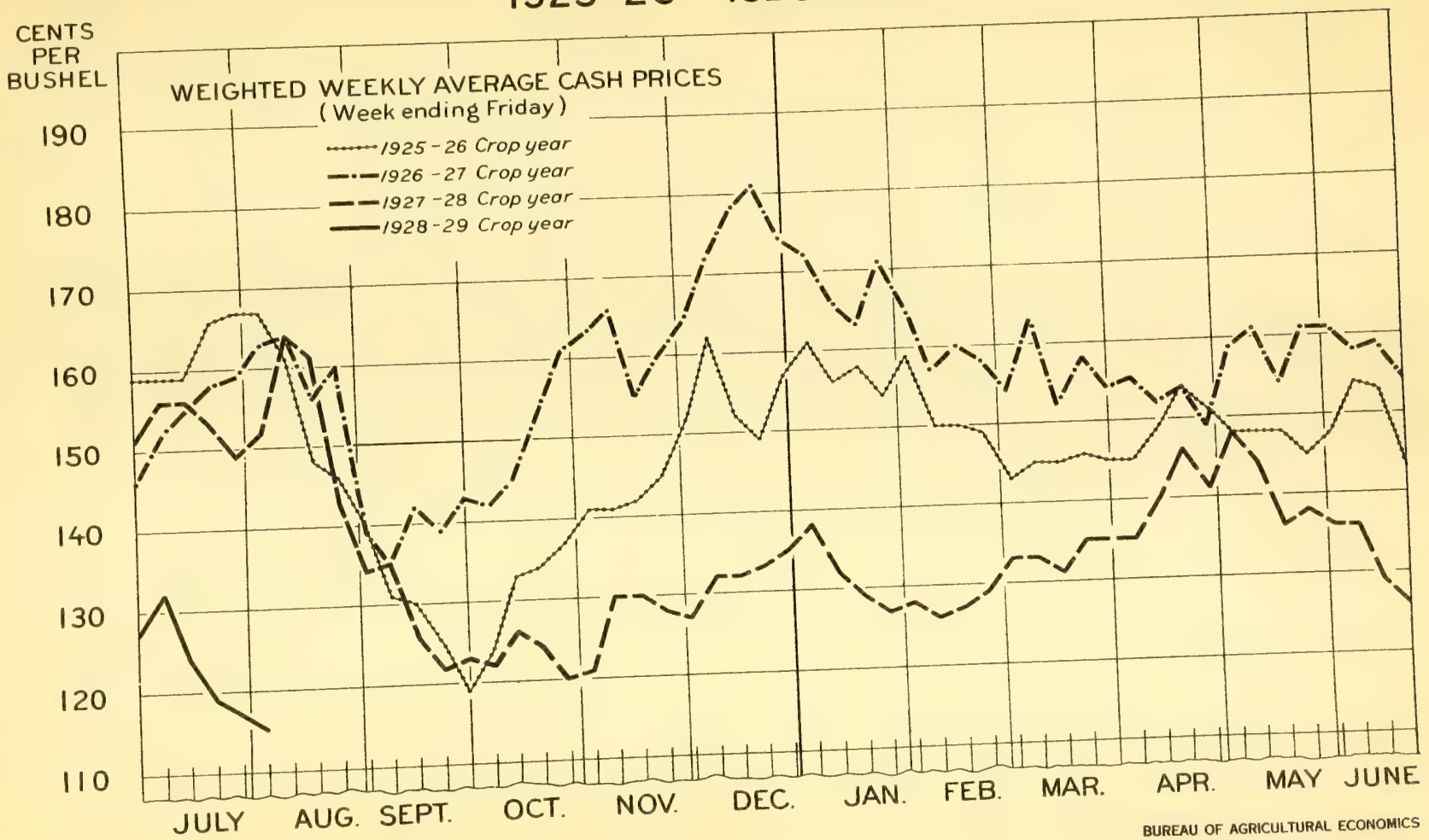
WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS 1925-26—1928-29



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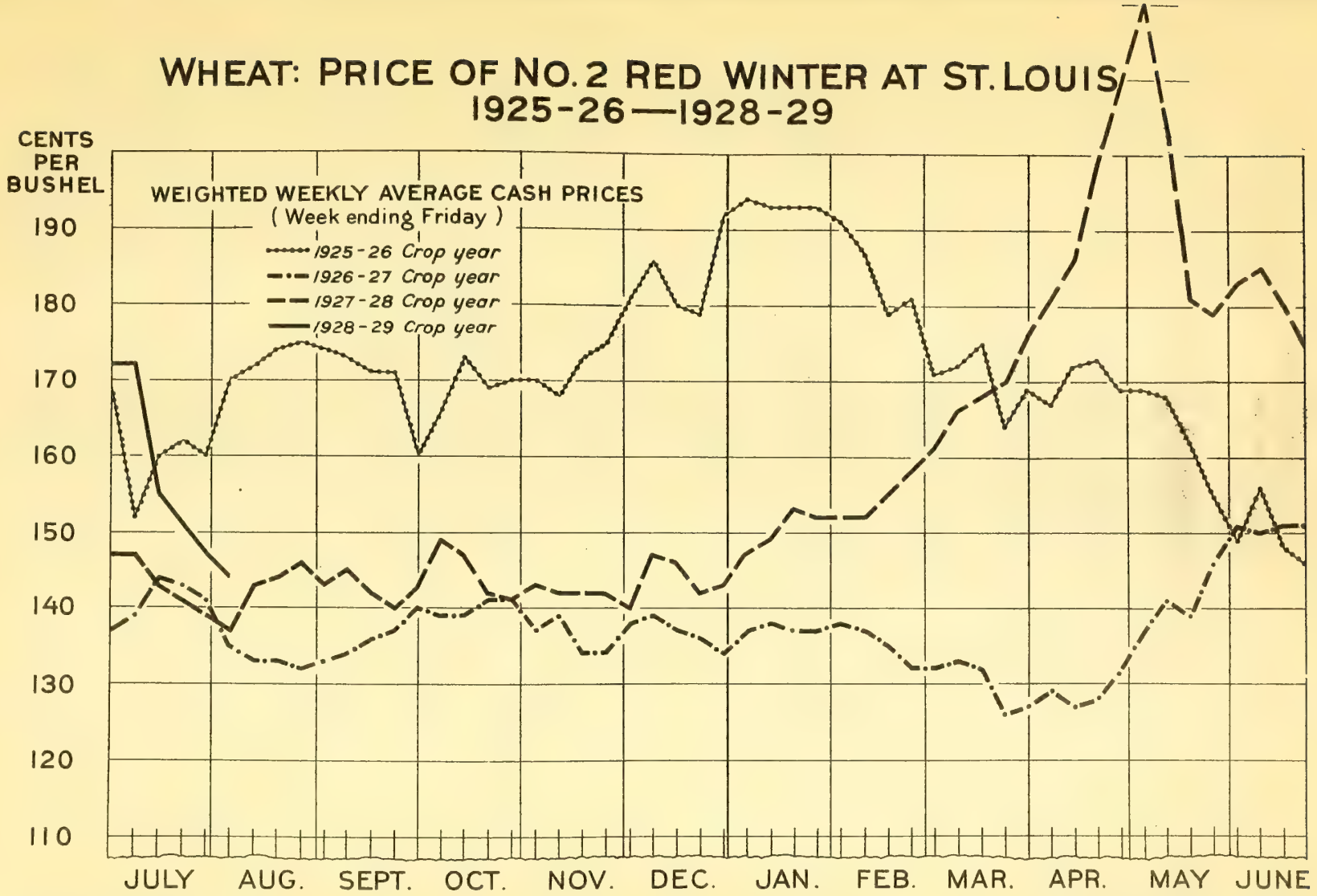
WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS 1925-26—1928-29



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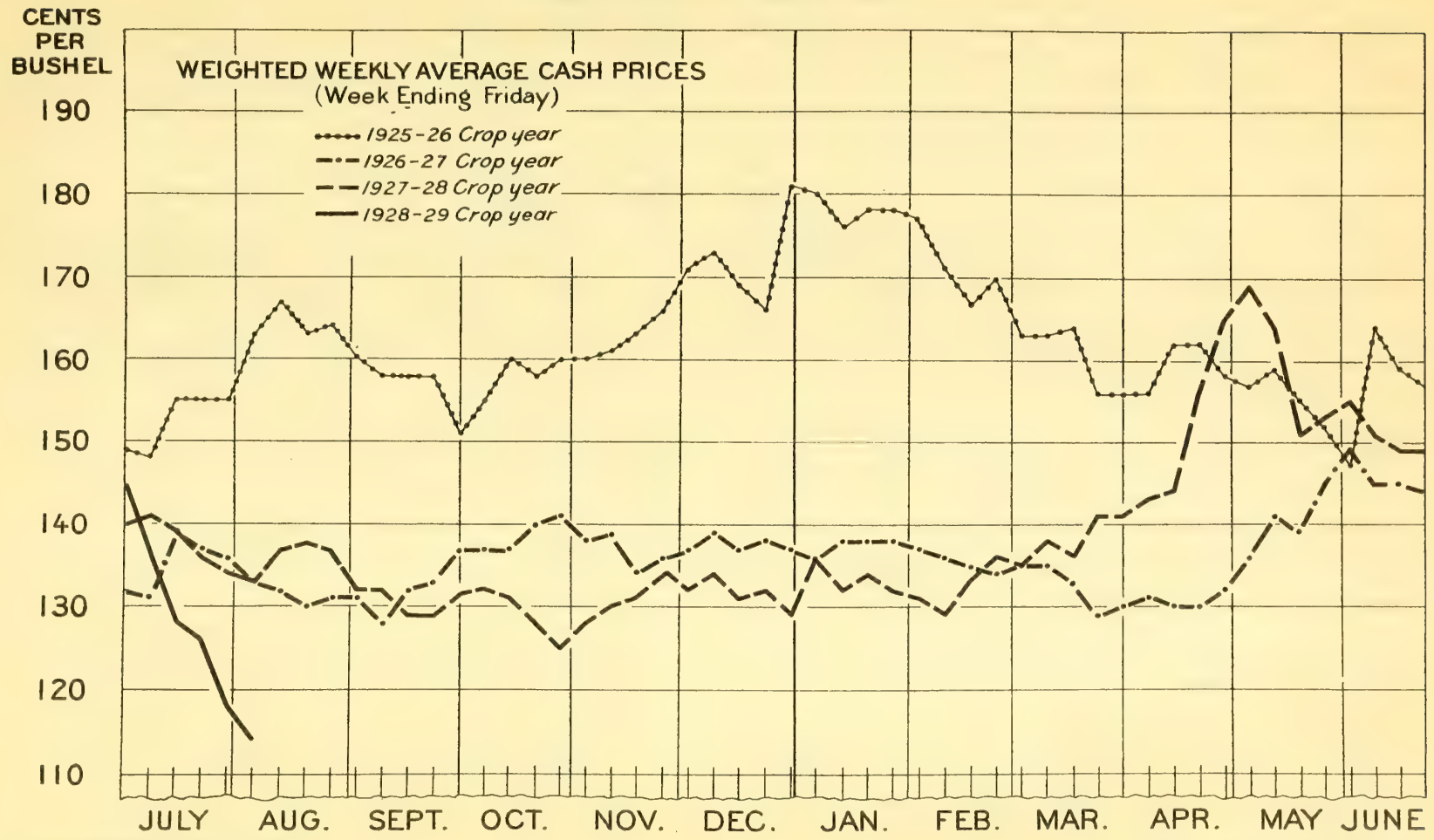
WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS 1925-26—1928-29



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WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY 1925-26—1928-29



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September 4, 1928

FOREIGN NEWS ON WHEAT

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MANCHURIAN WHEAT SITUATION

The Manchurian wheat crop is believed by millers and other sources of information to be roughly 10 per cent larger than last year's good crop but of poorer quality, according to a cable to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner Paul O. Nyhus in the Orient. In spite of this large crop, however, there is an active interest in "club straight" flour at Dairen, according to Mr. Nyhus. The increase in production is due to a substantial increase in acreage which is explained by several years of favorable prices together with good yields and to the opening up of new lands. Excessive rains in late July and early August made harvesting difficult and reduced both the yield per acre and the quality below last year. Smut reduced the yield in many localities and there is considerable grain which is poorly filled and discolored. The principal type grown in North Manchuria is hard wheat.

Manchurian mills are anticipating supplies and operations fully as large as for the active season just closing. Throughout the past season mills in Manchuria had enough wheat to operate at practically full capacity and in addition there were exports in significant volume for the first time since 1922, the exports amounting to about 4,200,000 bushels, bought chiefly by Japan. Efforts were made the past season to market Harbin flour in Tientsin but with little success as it was impossible for Harbin millers to meet the prices of Shanghai and foreign flour in the Tientsin markets.

There is normally an outlet for certain quantities of "club straight" flour at Dairen as distinguished from the high gluten flour of Northern Manchuria, and there is an active interest in club flour there at the present time. Flour importers state that the recent drop in prices of western soft wheat flour has made prices very attractive at Dairen and that contracts for heavy September and October shipments have been made. The low prices together with demand for flour from soft white wheat are favorable to imports of that class of flour in spite of the large Manchurian crop of hard wheat, and importers are predicting that imports will be larger than last season's 245,000 bags of 49 pounds.

The wholesale price of Manchurian wheat at Harbin on August 15 for October delivery was $1.04 a bushel.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
WH-36

September 19, 1928

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to September 13, 1928)

Forecasts and estimates of wheat crops indicate some improvement in the Northern Hemisphere in the past month, but the world's supply for the season still seems likely to be only about 4 per cent larger than the supply available for the 1927-28 season, and this increase in supply will be largely offset by an increase in demand, according to the Foreign Service of the Bureau of Agricultural Economics.

Increases in the production of North America and Europe outside of Russia are offset to some extent by the prospect of a smaller crop in Russia and India, both of which probably will have to import wheat before the end of the season. The increase in stocks of old wheat in exporting countries at the beginning of the new season, July 1, has practically disappeared by larger shipments through the months of July and August to supply deficits in European markets. Prospects for the rye crop outside of Russia have improved and are now about equal to last year, but last year's crop was so short that rye prices were high. Short corn crops in Southern Europe appear likely to result in an increase in the consumption of wheat in Italy and the Balkan countries. Europe may import as much wheat this season as last, even though the wheat crop outside of Russia is larger than last year. The recent drop in prices the world over will tend to encourage feeding of wheat to

livestock, increase the consumption of wheat as a substitute for other bread grains, and in some countries discourage seeding for next year.

Prospects for the 1928 crop

Wheat production reported to date in 29 countries outside of Russia totals 3,188 million bushels, an increase of 6 per cent over the 2,987 million bushels produced in those countries in 1927 when they produced 84 per cent of the estimated world total crop outside of Russia and China. Of the remaining 16 per cent about a fifth is included in the crops of minor Northern Hemisphere countries for which indications in condition reports in some countries and indications from neighboring regions in the case of other countries indicate a crop not far different from that of last year. Nearly two-thirds are included in the crops of Argentina and Australia where present indications are for increased total production over last year, but the most critical period has not been reached in Argentina and later conditions may modify the situation materially. A table showing production in reporting countries is given on page 5.

Canada

The wheat crop is forecast at 550 million bushels, according to the first official estimate, an increase of 110 million bushels or 25 per cent over the 440 million bushels officially reported last year. The actual increase may not be quite so large as these figures indicate. Last year's estimate is believed to have been somewhat under-estimated. The Canadian Bureau of Statistics has intimated that this was the case but does not usually revise the January estimate of production until a year later. Receipts in the past year indicate that the 1927 crop was probably nearer 465 than 440 million bushels. Frosts during August in parts of Saskatchewan and Alberta are believed to have lowered grades of the current crop somewhat, and may have lowered the yield. Aside from the frost damage the 1928 crop is reported to be in good condition, remarkably free from disease and with no rust. Weather has been favorable for harvesting.

The large increase in Canadian carryover of old crop is now entirely disposed of, leaving the storage facilities as free as last year for the receipt of new grain. There has been some building of elevators during the year but it is believed that this has not added enough storage space to allow free movement of the grain, and shipment is expected to be retarded by congestion. A brief statement of the relation of various weather factors to the yield of wheat in Canada is given on page 19.

Europe

Estimates have been revised upward during the past month in many European countries and the total reported to date in 20 countries outside of Russia is 1,330 million bushels compared with 1,227 million bushels in the same countries a year ago. Sweden and Denmark are the most important European countries for which no estimate of the crop has been received. For Sweden reports of growing conditions have been poor and the crop has been backward. The quality of early samples of wheat in most European countries is generally good. European rye production estimates outside of Russia are also much better than were indicated by earlier reports. Indications are still for a smaller European potato production, however. Smaller corn crops in the Balkan countries may reduce wheat exports from those countries.

Russian wheat production is officially estimated at 749,564,000 bushels which is about the same as last year's crop. The rye crop which is used for bread in Russia as much as wheat, or more, is considerably below last year and the total production of the two grains is about 11 per cent below 1927. There is propaganda in circulation there for the use of other grains for mixing with wheat and rye in flour milling. It seems probable that Russia will be an importer rather than an exporter this year. She imported wheat heavily at the beginning of the 1928-29 crop year. Furthermore, the regions where the crop has been best this year are at a distance from the centers of consumption and from the ports, thus increasing procuring and transportation difficulties, and this poor distribution may result in further imports for supplying the deficit regions.

North Africa

There has been a reduction in the estimate of wheat production in Algeria and Morocco and the total for the three Northwest African countries, where a large part of the crop is durum, now amounts to 64 million bushels, an increase of only 3 million bushels over last year. Conditions in Egypt are still reported slightly below last year.

Asia

Total production in India, Japan and Chosen, together with a rough estimate for Palestine, Syria, Cyprus and Lebanon is 350 million bushels compared with 395 million last year. The crop in India has been revised downward still further and is now 44 million bushels below last year and that country is expected to be on an import basis this year. Famine conditions are reported in some parts of North China, but in the region back of the Shanghai milling district the wheat crop is expected to be above last year and in Manchuria it is estimated to be about 10 per cent above last year. Manchurian wheat is largely hard and it is expected

that there will be a normal market there, or better, for American Club straight flour in spite of the increase in the Manchurian crop. The wheat and flour market situation in China and Japan is covered more fully on page 15.

Southern Hemisphere

The outlook in the Southern Hemisphere is still for a crop somewhat better than last year but the most critical period in Argentina at least, is still to come. In Argentina, where acreage as now reported is 2.8 per cent above last year's final estimate, average yields would give a harvest of 237 to 245 million bushels as compared with last year's 239 million bushels. According to last reports the crop was in excellent condition, but weather conditions appear to have been favorable to a rank growth, which might lead to damage in case of frost, and which may result in a poorer development of heads even if there is no frost. The below normal temperatures the past couple of weeks have probably been favorable to the crop since no frost has been reported. September and October are usually the most critical months from the standpoint of temperature. In Australia the crop in the east has been needing more rain the past couple of weeks, while in western Australia conditions are favorable.

Rye production

Rye production in 19 countries is forecast at 824 million bushels as compared with 770 millions last year. The increase in these countries, however, is offset by the estimate of reduction in Russia from 968 million bushels in 1927 to 783 million bushels in 1928. Germany and Poland appear to be harvesting fairly good rye crops.

Corn production

Reports to date indicate poor corn crops in Southern Europe. Agricultural Commissioner Steere reports heavy drought damage in Southern Italy and private estimates indicate that the Italian crop may be from 15 to 40 per cent less than last year. The Rumanian crop is also likely to be short. Drought has reduced prospects particularly in Hungary and Rumania. Over 20 per cent of the corn area in Rumania is reported to be in poor condition. The latest forecast of the Hungarian crop is nearly 35 per cent below the outturn of last year and Czechoslovakia has a short crop. Since corn is used extensively for food in these countries, a shortage of corn and high prices may result in some increase in consumption of wheat.

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913 present boundaries	1925	1926	1927	1928 preliminary forecasts and estimates
NORTH AMERICA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada, winter	(21,466)	23,325	21,785	22,266	21,344
spring	(175,653)	372,150	385,351	417,759	529,138
United States, winter	)	401,734	627,433	553,288	578,599
spring	) 690,108	274,695	203,607	319,307	322,473
Mexico	a/ 11,481	9,213	10,335	11,890	11,332
Total countries reporting 1928	898,708	1,081,117	1,248,509	1,324,510	1,462,886
EUROPE					
England and Wales	55,770	50,773	48,683	53,116	44,837
Netherlands	4,976	5,577	5,487	5,096	6,026
Belgium	15,199	14,477	12,801	16,277	17,747
Luxemburg	615	553	622	743	551
France	325,644	330,844	231,767	276,128	b/ (240,000)
Spain	130,446	162,592	146,599	144,825	141,097
Portugal	c/ 11,850	12,090	8,560	11,439	6,577
Italy	184,393	240,845	220,644	195,809	236,295
Switzerland	3,314	3,516	4,244	4,336	4,592
Germany	131,274	118,213	95,429	120,522	128,381
Austria	12,813	10,671	9,438	11,942	d/ 12,000
Czechoslovakia	37,879	39,309	34,130	40,385	41,446
Hungary	71,493	71,675	74,909	76,935	91,785
Yugoslvaia	62,024	78,646	71,427	56,568	105,380
Greece	c/ 16,273	11,222	11,171	e/ 13,300	16,534
Malta	196	274	310	294	289
Bulgaria	37,823	41,360	36,544	47,346	51,104
Rumania	a/ 158,672	104,741	110,883	96,734	130,512
Poland	63,675	57,797	47,080	54,230	53,645
Finland	137	929	924	813	831
Total European countries reporting 1928	1,324,466	1,356,104	1,171,652	1,226,836	1,329,629
Other European countries excluding Russia	23,704	34,734	31,862	34,394	33,000
Total Europe excluding Russia	1,348,170	1,390,838	1,203,514	1,261,230	1,362,629
NORTH AFRICA					
Morocco	(17,000)	23,872	16,174	24,802	22,046
Algeria	35,161	32,724	23,551	28,323	30,313
Tunisia	6,224	11,758	13,044	8,267	11,942
Egypt	33,662	36,248	37,207	44,346	(40,000)
Total	92,047	104,602	89,976	105,738	104,000

Continued -

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928, cont'd.

Country	Average 1909-1913: present boundaries	1925	1926	1927	1928 preliminary forecasts and estimates
ASIA	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
India	351,841	330,997	324,651	333,797	289,781
Japan	25,088	29,541	28,430	31,336	33,000
Chosen	6,898	10,509	10,517	9,042	8,526
Palestine, Cyprus, Syria and Lebanon	12,519	16,451	19,202	20,513	(18,900)
Total	396,346	387,498	382,800	394,688	350,000
Total 29 countries reporting in 1928	2,665,386	2,676,622	2,836,528	2,966,913	3,188,123
Total above N.Hemisphere countries	2,735,271	2,964,055	2,924,799	3,066,166	3,280,000
Est. N.Hemisphere, excluding Russia and China	2,759,000	3,026,000	2,981,000	3,136,000	
SOUTHERN HEMISPHERE					
Argentina	147,059	191,141	220,827	239,162	f/235-245,000
Australia	90,497	114,504	160,762	109,925	g/ (165,000)
Other Southern Hemisphere	44,000	57,000	58,000	54,000	
Total, estimate	282,000	363,000	440,000	403,000	
Est. world total, excl. Russia and China	3,041,000	3,389,000	3,421,000	3,539,000	
Russia, production	758,941	730,090	819,744	749,197	749,564
Russia, net exports	160,000	27,000	49,000	(7,000)	

Compiled from official sources and International Institute of Agriculture except as otherwise stated.

a/ Four-year average. b/ Forecast on the basis of a correlation of May 1 conditions in past years with final reports of yield per acre and assuming average conditions for balance of season. Conditions are reported to have improved since May 1 so actual yield may be expected to be higher than here indicated. c/ One year only. d/ Official estimate of winter wheat plus unofficial estimate for spring wheat. e/ Report from Consul Plitt estimates 1927 production at 16,428,000 bushels. f/ This indication is made on the basis of the officially reported acreage and a yield equal to the average of the past 5 years. g/ Private estimates of acreage sown mention an increase of 1,500,000 acres in area seeded. This rough estimate is on the basis of that increase, assuming a yield per acre equal to the average for the past five years.

Wheat prices

Wheat prices generally reached low levels in August and then rose slightly. By the middle of August farm prices had dropped to 95 cents per bushel from an average of 118 cents in July and 132 in June. The prices of all classes and grades at six principal markets dropped from an average of 118 cents for the week ending August 3 to 108 the next week, and remained at this level until the last week in August when it rose to 110.

The prices of all classes followed about the same course excepting that of soft red winter which began to recover in the second week of August and by the end of the month had recovered to the level of the beginning of the month. The price of No. 2 red winter wheat at St. Louis for the first week of September averaged two cents above that of the corresponding week last year. This bears out the statement made in June that the supply of soft red winter wheat was so small that the price level for this season was likely to be near to last year's price level.

The September forecast of production in the United States indicates an increase of 10 million bushels in the spring wheat crop. The forecasts of both the durum and hard red spring wheat crops were increased. Reductions in the estimates of the crops of North Africa have slightly improved the outlook for durum. The hard red spring wheat is facing competition from the Canadian spring wheats in the world markets.

It seems likely that wheat prices in general will hold near present levels during the next month. Prices may fluctuate with reports of crop conditions in the Southern Hemisphere and European buying. The strength of the European demand for wheat may not show itself very definitely until later in the season, when it becomes certain that prices have reached lowest levels and the size of the crops has become more definitely determined.

WHEAT: Weighted average cash prices at stated markets

Month	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.N.spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	Year beginning July 1									
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	139	126	136	120	158	147	153	123	141	147
August	136	109	135	106	150	124	140	108	142	138
September	129		131		137		128		142	
October	125		128		134		123		145	
November	126		131		134		128		141	
December	128		132		137		132		144	
January	131		133		143		130		151	
February	132		133		142		129		156	
March	137		138		147		133		169	
April	151		152		163		141		196	
May	151		160		178		140		196	
June	142		147		153		131		179	

Wheat Exports

Exports in surplus producing countries depend not only upon the size of the crop but also upon the foreign demand for wheat. According to the latest estimate of winter wheat and forecast of spring wheat for the United States, the crop for this season is nearly 30 million bushels greater than the 1927 crop. A part of this increase in production will probably be utilized by increased consumption on account of low prices, and part of it may be added to stocks at the end of the year. The net export from last year's crop was 191 million bushels. It is therefore estimated that the export from the United States for the season beginning July 1, 1928 is likely to fall between 200 and 220 million bushels. Canada from a crop of about 465 million bushels exported 305 millions in the season July 1, 1927 to June 30, 1928, and increased stocks. Adding 85 million bushels to the supply according to the August forecast would provide an export surplus of about 390 million bushels without increasing consumption or stocks. Since Canada may consume a larger amount and carry over a larger quantity, exports are estimated between 345 and 390 million bushels. Russia and British India will probably import wheat. The Danube Basin and Balkan countries will have wheat to export, but exports will probably not be increased so much as production has been increased because of relatively low prices for wheat and the prospect of a shortage in the corn crop. Should Argentina and Australia realize average yields, a large amount of wheat would be available from those two countries from January 1 to July 1, 1929. It is assumed, however, that with the large supplies in the United States and Canada and relatively low prices, the Argentine and Australian crops will not move so rapidly as they have moved in the past year. Adding together the estimates of the probable range of exports indicates that the exports of the principal exporting countries in the season July 1, 1928 to June 30, 1929 will amount to about 860 million bushels as compared with a net export from these same countries of 801 million bushels last year.

Wheat Imports

Europe seems likely to import in the season beginning July 1, 1928 about as much wheat as imported in the past season, notwithstanding an increase of about 100 million bushels in the production of wheat. Great Britain will probably take as usual between 200 and 220 million bushels. Better crops in some of the European countries may cause them to reduce their imports below what they were last year, but others may increase their imports. It seems likely that France, for example, will import more wheat than last year. Fairly conservative estimates for each of the more important net importing European countries indicate imports of about 650 million bushels compared with about 650 million bushels imported last year. A review of the takings of non-European countries in the past five years also indicates that they are likely to take more wheat when the prices are low, and the probable imports of these countries are therefore estimated to total between 150 and 165 million bushels of wheat, including flour.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 to 1928-29

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28	Net exports reported: July 1 to	1927-28	1928-29	Prel.est. 1928-29 Min.	Prel.est. 1928-29 Max.
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.		Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
United States	132	255	92	206	191	Sept.1	35	20	200	220
Canada	343	194	320	305	297	July 31	9	36	345	390
Russia	21	1	27	49	7	July 28	0	0	-15	0
British India	18	45	7	9	12	Sept.1	6	1	-20	-5
Hungary	17	15	19	21	22				25	30
Rumania	a/ 6	4	8	9	5				15	20
Bulgaria	a/ 2	a/ b/ -2	4	2	2				5	10
Yugoslavia	a/ 6	9	12	10	1				20	30
Algeria	a/ 9	b/ -1	5	b/ c/ -1	4				2	5
Argentina	170	125	100	140	186	Sept.1	16	16	125	160
Australia	83	124	77	97	74	Sept.1	13	11	75	85
Total all coun.listed	807	769	671	847	801		79	84	777	945

a/ Year ended July 31. b/ Net imports. c/ 10 months.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1923-24 to 1927-28 and estimates of probable imports, 1928-29 as indicated by reports to date

Country	Year beginning July 1: 1923-24	1924-25	1925-26	1926-27	1927-28	Net imports reported: July 1 to	1927-28	1928-29	Prel.est. 1928-29 Min.	Prel.est. 1928-29 Max.
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.		Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Great Britain	210	216	188	218	194	July 31	17	18	200	220
Italy	70	96	64	87	87				70	80
Germany	30	71	56	94	92				85	95
France	51	41	34	53	55				60	70
Belgium	40	39	39	40	42				39	42
Netherlands	27	26	27	28	31				28	31
Czechoslovakia	19	23	19	21	21				19	24
Greece	19	22	a/ (22)	a/ (22)	a/ (20)				18	20
Irish Fr.State	--	19	18	19	18				18	20
Austria	17	16	15	17	15				16	18
Switzerland	16	14	14	17	18	July 31	1	1	16	18
Sweden	12	11	6	6	9				8	13
Norway	6	5	6	6	6				5	7
Denmark	9	6	6	7	11				9	12
Finland	5	4	5	5	6				5	6
Poland	3	14	b/ 2	7	8				6	14
Total above	534	623	517	647	633		18	19	602	690
Other Eur.& non-Eur.coun.									150	165
Total all impg.coun.									752	855

a/ Rough approximation. b/ Net export.

In spite of the steadily declining price of wheat, European markets have registered a relatively good volume of buying during the month of August, according to reports a/ from Agricultural Commissioner Steere at Berlin. Russia has not been a buyer the past month, but practically all the deficit countries have been continually interested for current or future needs, especially whenever the market has given any evidence of stability. This relatively good interest in the face of weakening prices has been engendered, apparently, by the lowness of stocks of imported grain nearly everywhere in trade and consumptive channels and the resultant necessity of buying for current requirements and for the near future. Another factor seems to be some belief that prices have reached, or nearly reached, a bottom level, as European trade circles for the most part now appear to anticipate relative stability of wheat prices around current levels for some time ahead, barring extraordinary developments.

Prospects for the wheat crop in Continental Europe have undergone general improvement during August, as a result of very favorable maturing and harvesting weather. Close to 36,700,000 bushels have been added to ideas of the Continental supply during the month, and the crop will be materially above last year's outturn as well as above the average of the past five years. Reports as to quality are also very satisfactory.

Russian participation as a wheat exporter this season now seems definitely out of the question. The total bread grain crop is no larger than last year - there are numerous indications that it may be considerably smaller - and the supply is very unfavorably located from the standpoint of exports as well as for the principal centers of consumption in Russia. Practical failure of winter grains is reported in parts of the Black Sea region, and the very favorable prospects for spring cereals have recently been darkened by reports of deterioration from general and heavy rains at harvest time. The first two months of the new procuring campaign have also brought unfavorable results.

Increased estimates of yields in Germany, Belgium, Holland, Denmark and Poland are all due to general improvement in crop prospects over the northern half of the Continent during August. Maturing and harvesting weather has been much better than usual and many reports state that threshing results are exceeding expectations from northern France across Germany into Poland. It is, therefore, entirely possible that later estimates for countries in this region will be revised upward, but nevertheless some belief persists that thinning out by winter kill will be revealed in the final results. Private estimates for France around the middle of August indicated the probable production to be somewhat below 257,000,000 bushels, but recent reports on threshing results state that yields in Normandy and northern France are exceeding expectations, so that our last month's estimate of 257,000,000 bushels still stands.

Germany

The German grain market has been characterized generally by an "in and out" attitude of buyers throughout most of August. The steadily weakening tendency of prices under the influence of preponderantly favorable crop reports

a/ Report dated August 31 brought up to date by cable of September 13.

has caused general reluctance to make extensive commitments, but there has been an underlying readiness to buy whenever less favorable reports have caused the market to assume a steadier tendency. A rather active demand with large transactions has been evident on a number of days, a fact which seems to have been based upon the relatively low stocks of imported grain in the hands of the trade and the milling industry, although there is also considerable belief that prices have now touched bottom. Heavy German buying is very likely once stability in the price level is assured.

Prices of bread grains in Germany have declined steadily throughout August, even to a greater extent than on world markets. This is doubtless due to the fact that the decline during July was much less pronounced than in the primary markets abroad. Domestic wheat at Berlin has decreased from 155.0 cents per bushel on July 25 to 140.7 cents on August 29, and rye has declined from 149.8 cents to 130.7 cents during the same period. The decline in rye has been especially marked and quotations on a weight basis are now below wheat for the first time in many months. This is entirely due to the improved outlook in Germany, as American prices have remained relatively stable for rye. The official estimate of the new German rye crop is 308,000,000 bushels as compared with the final official estimate of 269,000,000 bushels last year and the record crop of 317,000,000 bushels in 1925.

Wheat and Rye Prices in Germany

Date	Wheat			Rye
	Hamburg	Breslau	Berlin	Berlin
	Cents	Cents	Cents	Cents
July 11	165.4	162.1	162.1	164.0
18	160.1	162.1	160.8	156.4
25	156.3	162.1	155.0	149.8
August 1	156.3	162.1	154.6	147.9
8	153.3	162.1	154.3	140.1
15	144.3	152.4	151.4	137.3
22	153.0	145.9	144.9	134.0
29	148.5	145.9	140.7	130.7
September 6	159.4			133.2
12	132.2			125.2

Domestic offers of new crop wheat and rye have so far been small, partly because of the occupation of farmers with harvest work, but the low prices are doubtless a more important factor. A rather active demand for German rye for export purposes is reported from the port markets.

The development of grain movements in Germany during recent weeks has not been out of the ordinary in any important respect. Imports of wheat during July amounted to 7,680,000 bushels as compared with 8,800,000 bushels

in June and were, therefore, considerably below last year's July imports of 10,000,000 bushels. Arrivals of imported wheat at German seaports during the first three weeks of August have been about on the level of July figures, possibly somewhat smaller. Visible stocks of wheat and rye at the ports have decreased slightly since July and are now relatively small, especially in the case of rye, as the statistics on the movement of grain toward the interior on inland waterways show some increase during August as compared with July figures, which were very low. The visible stocks of wheat at Berlin, which dropped to 599,500 bushels on July 31 as compared with about 955,000 bushels on June 30, are thought to have declined further during August. German imports of rye in July amounted to 1,882,000 bushels as compared with 1,716,000 bushels in June and 4,141,000 in July 1927. August port arrivals are running smaller, in fact an export movement of German rye has already set in.

Reports on the German bread grain crops have taken a much more optimistic turn in the last half of August as a result of the good weather and unexpectedly satisfactory threshing yields. The rye harvest is now practically finished under relatively favorable conditions. The harvesting of wheat is well under way, but there is still some risk of damage to quality, especially since there has been considerable rain.

France

French wheat markets are reported to have had a rather quiet tone, but, nevertheless, a fairly important turnover of both wheat and wheat flour during the month of August. Marketing of new crop wheat developed rather actively, as ideal harvesting weather enabled a rapid winding up of this work.

Estimates of the French wheat crop still vary considerably, as the outturn is proving to be different than expected in different parts of the country. Yields south of the Loire have been below expectations, but in Normandy and in northern France the outturn has been better than expected, according to latest reports. There is some reason to believe that middle of the month private estimates placing production at around 250,000,000 bushels may be a trifle low, and that the crop may not be far from 257,000,000 bushels. The quality of the French wheat crop is reported to be very satisfactory. Considering estimates that 1,800,000 bushels of last year's crop were unsuitable for milling, it appears that the effective supply this year will not be far below that of 1927. Imports, however, will doubtless be larger than last year because of the much lower prices and apparently somewhat reduced stocks.

Italy

Italian grain markets were relatively active in August with considerable quantities of wheat being turned over. Purchases for import were good, particularly for distant positions. The wheat export prohibition has been prolonged until June 30, 1929.

The Italian wheat crop has now been officially estimated at the figure previously used by the Italian Minister of Economics, viz.

236,000,000 bushels. Rye production is estimated at 6,650,000 bushels, barley 11,000,000 bushels, and oats 50,600,000 bushels. The corn crop has not yet been officially estimated, but private estimates indicate an outturn of 15 to 40 per cent smaller than in 1927. Drought damage has been especially heavy in Southern Italy.

Belgium

The Antwerp grain market reports relatively satisfactory demand for wheat by Belgian flour mills throughout the month of August, considering the extreme weakness of prices. Sales to Germany were also of considerable importance. Stocks of wheat at Antwerp were very light at the close of August. The official estimate for Belgium shows satisfactory crops of both wheat and rye, as well as fodder crops.

Holland

August reports from Rotterdam are generally in line with those from other neighboring countries in that they indicate relatively good inquiry for wheat in spite of the declining tendency of prices throughout the month. Both Dutch and Rhenish mills were at times large takers of Manitoba and Hard Winter wheat. The Dutch official estimate of 6,000,000 bushels for wheat is indicative of very satisfactory prospects, as the average crop for the past five years is only 5,000,000 bushels.

Danube Basin

Grain market reports from the Danube Basin indicate considerable business activity during August, even though local mills were interested only for current needs. The movement of the crop has gotten under way rapidly and in rather large volume, considering the general tendency of prices, reports indicating extensive shipments via the Danube.

The wheat crop in the Balkans and in the Danube Basin this year is undoubtedly one of the most satisfactory on record, from the point of view of both size and quality. This is especially true of Yugoslavia and Hungary, where the crop is one of the largest ever harvested. The latest official estimate for Hungary, as of August 26, places wheat production at 92,000,000 bushels as compared with 76,900,00 bushels last year, when the crop was considered relatively good. Yugoslavia has been officially estimated to have a crop of 105,000,000 bushels as compared with last year's very small yield of 56,568,000 bushels, this year's crop being about the largest in 20 years. Trade opinion, however, considers this figure too high, and in the light of all available information it would seem that 92,000,000 bushels is probably a more reasonable estimate. The recent official Rumanian estimate of 130,512,000 bushels of wheat seems too high in the light of unfavorable conditions reported in some parts of Bessarabia. The official estimate is certainly too high from the standpoint of the amount of grain it would seem to contribute to the general European supply, as there is a distinct limit on the capacity of the Rumanian railroads to move out of the country any

large surplus that may exist. An estimate of an even 110,000,000 bushels seems ample.

The grain situation in the Danube Basin and the Balkan countries, however, is somewhat complicated by the apparently unfavorable situation with regard to forage and feed crops. The prolonged drought experienced over most of this region during the past summer set in too late to affect the bread grain and earlier cereal crops, but corn, forage crops and pastures have been seriously damaged and there is even talk of having to make heavy sacrifices of livestock in parts of this region. It is certain that adjacent areas, such as Czechoslovakia, Austria and Germany, which are dependent upon this region for corn and some other feedstuffs, will have to depend much more heavily upon overseas shipments during the coming campaign. In Czechoslovakia, Austria, and Hungary official circles are reported as inclined to facilitate such imports by tariff reductions. The extent of damage to the corn crop is indicated by the fact that Hungary has just estimated production at 45,000,000 bushels as compared with 68,000,000 bushels last year and that Rumanian production is placed at 139,000,000 bushels. Over 20 per cent of the corn area in Rumania, moreover, has been reported in poor condition and about 38 per cent is only medium in condition, with the balance good. Rains have fallen over many parts of the Balkans and the Danube recently, so that some improvement in conditions can be expected, even though rather late.

Denmark

The latest official estimate of the condition of wheat and rye in Denmark outside of Jutland (95 per cent of normal for wheat and 86 per cent for rye as of August 1) points to relatively good prospects, especially since the weather has been fairly favorable in August. An overturn equal to that of last year seems probable.

Russian grain procurings

Russian grain procurements during the second half of August continued to develop slowly, according to a cable of September 5 from Agricultural Commissioner Steere. There are some complaints of wet grain. The development of the procuring campaign this season is expected to be considerably delayed, according to an article in the Russian paper "Economic Life" of August 15, 1928. Winter wheat, which is harvested earlier than other grains in Crimea, North Caucasus and Ukraine, its chief producing region and which constitutes the most important source of commercial supply during the first two months of the campaign, will this year almost entirely disappear from the market due to the poor crop and considerable seed requirements. In the eastern regions where the crops are good, and which will therefore be an important source of bread grain for the rest of Russia, procurements do not usually develop on a large scale until December.

Furthermore, with a larger share of the procurements than usual coming from these regions this year, the less adequate drying, milling, warehousing and transportation facilities in these regions, the wetness of the grain, and the less extensive experience in procuring work, all are likely to cause further difficulties in the procuring situation. This year, for instance, Kazakstan, which is the most difficult of all eastern regions from the standpoint of procuring operations, has a record crop. Difficulties have arisen there in past years when the crops were not so large. Under such circumstances the efficiency with which the recently reorganized procuring machinery operates will probably count for a great deal. It is significant, therefore, that according to the Russian press in August there was observed considerable friction between the state procuring organization, "Soyuzkhleb", and agricultural cooperatives, which are supposed to cooperate in the joint work of procurements. An additional factor which probably will lower the procurements in some regions, Ukraine being especially mentioned, is local private trading by peasants, which usually increases during the years of poor crops. Considerable activity of this kind has been reported in the Russian press.

The recent increase of procuring prices is generally considered a favorable factor to procurements, but greater elasticity of procuring and adaptation to local conditions is urged in the article quoted above. There are also difficulties on the demand side. Smaller crops in the consuming area, including the flax-growing sections, will make for a somewhat increased demand for grain shipped from the producing regions. A complicated situation is presented in Ukraine, according to the article quoted above. The Soviet authorities are faced with three problems in this region: (a) to secure fully the winter seed supply and not to allow the use of winter wheat for consumption; (b) to provide a food grain supply in a number of regions, and (c) to furnish the peasants with feeds in some regions which suffered from poor crops.

Oriental wheat and flour markets

Japan

Decreases in the prices of foreign wheats at Japanese mills, a good export demand for flour and high rice prices have stimulated the milling industry in Japan in spite of a falling off in the domestic demand for flour, according to a cable from Consul Kemper at Tokio. The price of United States western white wheat at mills in Japan on September 1 is quoted as equivalent to 159 cents a bushel, or 12 cents below the corresponding price a month ago. Canadian No. 5 on September 1 sold for 144 cents a bushel, a drop of only 3 cents below the price quoted a month previously. Australian wheat has also fallen, the present price being 165 cents a bushel. No definite price was given a month ago but it was said to be higher than any of the other wheats of which the highest quoted was the United States western white at 171 cents.

Wheat imports into Japan during July included 169,000 bushels from the United States, 436,000 bushels from Canada, and 351,000 bushels from Australia. On August 1 foreign wheats had been in smaller supply than usual. Mill stocks on September 1 were larger than usual for that season.

The wholesale price of standard flour on September 1 was 163 cents a bag of 49 pounds net, showing no change from the price quoted a month earlier. The domestic demand for flour is reported as slightly below normal, but the export demand is good. Flour exports during July are reported as equivalent to 547,000 bags of 49 pounds net. The milling industry is unusually active, according to Mr. Kemper, due to this active export demand and to the high rice prices.

Manchuria

The Manchurian wheat crop is believed by millers and other sources of information to be roughly 10 per cent larger than last year's good crop, but of poorer quality, according to a cable from Agricultural Commissioner Paul O. Nyhus in the Orient. In spite of this large crop, however, there is an active interest in "club straight" flour at Dairen, according to Mr. Nyhus. The increase in production is due to a substantial increase in acreage which is explained by several years of favorable prices together with good yields and to the opening up of new lands. Excessive rains in late July and early August made harvesting difficult and reduced both the yield per acre and the quality below last year. Smut reduced the yield in many localities and there is considerable grain which is poorly filled and discolored. The principal type grown in North Manchuria is hard wheat.

Manchurian mills are anticipating supplies and operations fully as large as for the active season just closing. Throughout the past season mills in Manchuria had enough wheat to operate at practically full capacity, and in addition there were exports in significant volume for the first time since 1922, the exports amounting to about 4,200,000 bushels, bought chiefly by Japan. Efforts were made the past season to market Harbin flour in Tientsin but with little success as it was impossible for Harbin millers to meet the prices of Shanghai and foreign flour in the Tientsin markets.

There is normally an outlet for certain quantities of "club straight" flour at Dairen as distinguished from the high gluten flour of Northern Manchuria, and there is an active interest in club flour there at the present time. Flour importers state that the recent drop in prices of western soft wheat flour has made prices very attractive at Dairen and that contracts for heavy September and October shipments have been made. The low prices, together with demand for flour from soft white wheat are favorable to imports of that class of flour in spite of the large Manchurian crop of hard wheat and importers are predicting that imports will be larger than last season's 245,000 bags of 49 pounds. The wholesale price of Manchurian wheat at Harbin on August 15 for October delivery was $1.04 per bushel.

Tientsin

A small wheat crop in the Tientsin district of China, together with transportation difficulties and reductions in the prices of American and other flours, have resulted in good contracts for September and October delivery at that port, according to a cable from Agricultural Commissioner

Nyhus. The market is well supplied for immediate delivery, but there is considerable interest in January and February shipments.

The wheat crop in the region surrounding Tientsin and supplying the mills of that city is extremely short this season as a result of drought in May which reduced yields materially. The supplies of local wheat at Tientsin are further reduced by seizures by the troops operating in that region and by transportation difficulties, and only small quantities are arriving. As a result, the supplies for local mills this year will have to come almost entirely from outside sources and mill operations for the current year are expected to be difficult and uncertain. The mills are already importing from Shanghai wheat from the big crop of the Yangtze valley. Manchuria, which is also reported to have a large crop, is another possible source of wheat imports. Normally the local mills supply about 30 to 40 per cent of the flour consumed in that district, the rest coming from Shanghai, Japan, the United States, Canada and Australia.

Big flour contracts were made at recent low points in the American and Canadian flour markets for September and October delivery. It is estimated that these orders total about 2,000,000 bags of 49 pounds, of which about half is "Club straight" flour. In addition there are contracts for about 1,000,000 bags of Shanghai flour and about 200,000 bags of Japanese flour, and each is subject to quick gains in the event of an active retail market. There have been heavy receipts of low priced Shanghai flour and stocks are moving somewhat slowly into consuming channels due to poor transportation conditions. It is stated that dealers are well supplied with foreign flour for early delivery, but there is considerable interest in flour for January and February shipments. Last year flour imports into Tientsin for the six months, July to December, totaled 7,608,000 bags, of which 1,155,000 bags came from the United States direct in addition to that sent by way of Shanghai.

The trade is disturbed by an announcement of the Nationalist Government to put into effect a tax equivalent to 4.6 cents, United States currency, per bag of 49 pounds on imports of foreign flour into Tientsin. A similar tax was levied at Shanghai, effective July 1. The consul at that port protested against the tax, but so far no information has been received of any action to withdraw it.

Wholesale flour prices the last of August were 165.6 cents a bag for local flour, 147.2 for "Club straight", 142.6 for Shanghai flour, 138 for Japanese, and 135.7 for Canadian. The locally milled flour is usually considered to be the best flour on the Tientsin market, the wheat usually being of excellent quality, of a higher gluten content than Shanghai wheat, but lower than Manchurian, according to an earlier report from Mr. Nyhus. The native flour has a moderate gluten content, a good white color, and normally sells for about 18 cents a bag above any other flour. American "Club straight" flour, although lowest in gluten content of any of the flours on the Tientsin market, has a firm and popular place because of its superior white color.

Outlook for wheat acreage in 1929

There are as yet practically no reports of probable acreage to be sown this fall for the 1929 wheat crop outside of the United States where farmers' intentions reports indicate a probable decrease of 2 to 6 per cent in winter wheat acreage from last year's area. The large 1928 crop and the fall in prices the past few weeks, just at the time when farmers in the Northern Hemisphere are preparing their land for the new crop, may normally be expected to tend to curtail fall sowing to some extent. Some analogy may be drawn from the situation in 1923 following the record world wheat crop of that year, but there are also important points in which the situation is different. In 1923 world acreage outside of Russia and China reached the high point of 229.6 million acres, and good yields brought the harvest up to 3,551 million bushels, an increase of 10 per cent over that of 1922, and the largest on record up to that date.

The European crop was also good, causing decreased demand for non-European wheat and, furthermore, unfavorable economic and financial conditions in many European countries, discouraged the purchase of foreign goods that year, so there was a poor market for the large crops of non-European exporting countries and prices dropped heavily. Following this situation the wheat acreage outside of Russia for the 1924 harvest dropped to 223.6 million acres, a decrease of 2.6 per cent from that of 1923. Poorer yields reduced the crop in 1924 still further to 3,141 million bushels, a decrease of 11.5 per cent. The acreage decrease in 1924 came practically entirely in the United States and Canada. Europe outside of Russia, taken as a whole, sowed an increased acreage, as did also Argentina, Australia and India.

In the present year, the increase in the size of the crop over that of last year is not nearly so great as it was in 1923, general economic and financial conditions are much better and demand is expected to be fairly good whereas in 1923 it was poor. (See FS-Wh. 24, August 20, 1928, pages 15 and 16). In 1923 Europe was still noticeably below the prewar normal in bread grain production. Wheat acreage was 10 per cent below the 1909-13 average in the same territory and production 7 per cent below prewar. The 1928 European wheat acreage, judged by preliminary reports, is only about 3 per cent below prewar, while production is indicated to be above prewar. There will still be some tendency to increase wheat acreage because Europe is turning to wheat consumption away from rye, but this pressure is not as acute as in 1923. The rye crop in Europe, although larger than last year, is still below prewar, so the total European bread grain production outside of Russia is still slightly below prewar, while

population is larger. According to a report of the League of Nations the European population outside of Russia in 1925 was 4 per cent greater than in 1913.

Argentine and Australian acreage have shown a generally rising tendency for many years regardless of the size of the world crop, and a continuance of this movement seems probable.

In Canada wheat acreage has remained about stationary the past six years, showing no tendency to increase since the large war expansion until the present year. The size of the present world crop and the price of wheat during the coming months is likely to have more weight in determining next year's Canadian acreage than that of Europe or the Southern Hemisphere. See pages 22 and 23 for tables on wheat acreage and yield per acre.

Canadian Wheat Crop as Indicated by Weather Conditions

An analysis of temperature and rainfall data from April through July in its relation to wheat yields in the three western prairie provinces of Canada - Manitoba, Saskatchewan, and Alberta - indicated a probable crop between 476 and 552 million bushels for 1928 in those provinces or averaging the two extremes about 515 million. This is based on a multiple correlation measuring the effect of temperatures for April, May, June and July and rainfall for the period April to July upon the yields of wheat from 1905 - 1927.

The following table shows a comparison between final official reported production for the three western provinces and production obtained by multiplying the yield indicated by the weather relationship and the final official acreage. The third column is obtained by multiplying the government yield indication on August 1 by the revised acreage in order to compare our production indications from the weather with the government report as of August 1 as well as the final official revised production report for wheat in western Canada. It will be noted that in the past 20 years the indications of yield as determined from the weather data have come as near as or nearer to final official estimate of yield than the August forecast made on the basis of statements of crop reporters, in every year but three.

Canada: Estimates of wheat production, in three Prairie Provinces, 1905-1927

Year	Final official estimate of production	Estimate on basis of weather data and official revised estimate of acreage	Estimate on basis of August 1 official estimate of yield and official revised estimate of acreage
	Million bushels	Million bushels	Million bushels
1905	80	69	
1906	104	104	
1907	72	62	
1908	107	129	95
1909	146	131	109
1910	116	113	99
1911	207	206	196
1912	200	201	206
1913	200	201	216
1914	156	184	140
1915	351	345	336
1916	242	246	255
1917	212	191	233
1918	164	197	233
1919	166	192	240
1920	234	259	255
1921	280	326	334
1922	375	323	295
1923	425	490	355
1924	236	230	226
1925	372	367	335
1926	361	360	300
1927	415	431	351
1928	---	a/ (515)	---

a/ On the basis of acreage in those provinces as reported in July.

WHEAT: United States production by classes, 1923-1928

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum a/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	831	121	229	360	48	73
1927	872	199	181	318	80	94
1928						
(July)	800	155	122	368	82	74
(August)	891	195	139	386	89	82
(September)	901	201	139	386	90	95

These production estimates are based upon percentages of area, by classes, in 1924, supplemented by percentages in 1923.

a/ Crop estimates of four states plus 1924 indications in other states.

United States Exports of Wheat and Flour by Customs Districts

During the year ended June 30, 1928, when total United States exports of wheat amounted to 145,956,000 bushels, more wheat left the country by way of the Oregon customs district, mainly Portland, than any other customs district, foreign purchases amounting to 38,897,000 bushels, a new record for exports from that port. Duluth and Superior ranked second with exports of 35,954,000 bushels, also a record figure, the two groups together thus handling more than 50 per cent of our surplus. Galveston which has frequently held first rank as an export center dropped to third place with an export of only 13,074,000 bushels as compared with 51,223,000 bushels during 1927.

Total exports of wheat flour reached 12,916,000 barrels of which 39 per cent went out through the port of New York. Washington, consisting mainly of Seattle and Tacoma took second rank in the export of flour thus supplanting New Orleans which had held second place during the 3 preceding years.

Wheat flour: Exports from the United States by Customs Districts, 1927-1928

Customs districts	Year ended June 30	
	1927	1928
	Barrels	Barrels
Maine and New Hampshire	601	0
Massachusetts	24,504	50,338
Buffalo	4,787	2,986
New York	5,051,597	4,944,842
Philadelphia	270,975	149,543
Maryland	535,300	333,603
Virginia	198,137	134,151
New Orleans	2,232,829	1,913,982
Sabine	58,737	40,832
Galveston	1,926,184	1,352,067
San Antonio	27,220	10,900
Los Angeles	7,721	7,087
San Francisco	305,649	419,626
Oregon	763,302	1,079,018
Washington	1,729,347	2,267,726
Alaska	565	556
Duluth and Superior	79	115
Wisconsin	1,071	210
Chicago	0	0
Ohio	0	0
Other districts	246,420	208,358
Total	13,385,025	12,915,940

Compiled from Foreign Commerce and Navigation of the United States and official records of the Bureau of Foreign and Domestic Commerce.

WHEAT: World acreage and yield per acre by major divisions, average 1909-1913, annual 1921-1928

Classification and year	Est. world total excl. R.& C.	North America(3)	Europe excl. Russia	Northern Hemisphere	Southern Hemisphere	United States	Canada	Argentina	Australia	India
AREA	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres	Million acres
All Wheat - Av. 1909-13	204.2	59.2	72.8	177.5	26.7	47.1	9.9	16.1	7.6	29.2
1921	223.4	89.3	63.8	195.4	28.0	63.7	23.3	14.2	9.7	25.8
1922	226.8	87.4	64.6	196.9	29.9	62.3	22.4	16.3	9.8	28.2
1923	229.6	85.6	65.6	198.8	30.8	59.7	22.9	17.2	9.5	30.9
1924	223.6	76.0	66.7	191.0	32.6	52.5	22.1	17.8	10.8	31.2
1925	227.7	75.4	68.8	193.9	33.8	52.3	22.0	19.2	10.2	31.8
1926	231.0	80.5	69.0	197.1	33.9	56.3	22.9	19.3	11.7	30.5
1927	234.6	82.3	70.2	199.2	35.4	58.6	22.5	19.7	11.8	31.3
1928,prel.	a(239.3)	83.1	a(70.7)	a(201.7)	a(37.4)	57.8	24.1	b/20.3	c(13.3)	32.2
Winter wheat only - Av. 1909-13	--	31.6	--	--	26.7	28.4	1.0	16.1	7.6	29.2
1921	174.6	46.4	57.9	146.6	28.0	43.4	.7	14.2	9.7	25.8
1922	178.9	45.9	58.3	149.0	29.9	42.4	.9	16.3	9.8	28.2
1923	181.3	43.4	59.4	150.5	30.8	39.5	.8	17.2	9.5	30.9
1924	179.7	37.8	61.1	147.1	32.6	35.7	.8	17.8	10.8	31.2
1925	180.2	33.2	63.5	146.4	33.8	31.2	.8	19.2	10.2	31.8
1926	184.7	39.1	63.9	150.8	33.9	37.0	.9	19.3	11.7	30.5
1927	185.7	40.0	63.8	150.3	35.4	37.9	.9	19.7	11.8	31.3
1928,prel.	f(186.8)	38.2	f(63.5)	f(149.4)	f(37.4)	36.1	.8	b/20.3	c(13.3)	32.2
Yield per acre of all wheat	Bus.	Bus.	Bus.	Bus.	Bus.	Bus.	Bus.	Bus.	Bus.	Bus.
Av. 1909-13	14.9	15.2	18.6	15.5	10.6	14.7	19.7	9.1	12.0	12.0
1921	14.2	12.6	19.0	14.3	13.6	12.8	12.9	13.4	13.3	9.7
1922	14.2	14.7	16.1	14.6	12.0	13.9	17.8	12.0	11.2	13.0
1923	15.5	15.0	19.2	15.7	14.0	13.4	21.7	14.4	13.1	12.1
1924	14.0	15.0	15.8	14.3	12.6	16.5	11.9	10.7	15.2	11.6
1925	14.9	14.6	20.3	15.6	10.7	12.9	(19.0)	10.0	11.2	10.4
1926	14.8	15.5	17.6	15.1	13.0	14.8	17.8	11.5	13.8	10.7
1927	15.1	16.1	18.0	15.8	11.5	14.9	(19.5)	12.1	9.3	10.7
1928, prel.	--	--	--	--		15.4	(22.8)			9.0

a/ Assuming that countries not reporting have an acreage equal to last year. For Europe outside of Russia about 5 per cent of the total wheat area has not yet been reported. In the total Northern Hemisphere 5 per cent has not yet reported. For the Southern Hemisphere Argentina is the only country actually reporting acreage for 1928. See notes b/ and c/. b/ August forecast. In the past 5 years this forecast has ranged from 98 to 99 per cent of the final estimate. c/ No official estimate. Private estimates place the probable acreage 1.5 million acres above last year. d/ Excludes minor countries for which total area is not divided between winter and spring sown crop. e/ Assuming total Asiatic area excl. R. and C. and total North African crops to be winter wheat. f/ Assuming that countries not reporting have an acreage equal to last year.

WHEAT: Yield per acre in specified countries, 1904 to 1928

Year	United States	Canada	Argentina	Australia	India	France	Germany	Italy	Hungary	Rumania
	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels	Bushels
1904	12.5	--	12.4	8.7	12.7	18.6	29.5	13.9	16.1	12.6
1905	14.7	--	9.6	11.2	9.9	20.8	28.5	13.5	18.5	21.4
1906	15.8	--	11.1	11.1	12.1	20.4	30.3	15.3	21.8	22.8
1907	14.1	--	13.5	8.3	11.9	23.5	29.6	15.1	14.9	10.0
1908	14.0	--	10.4	11.9	10.0	19.5	29.7	--	17.5	12.3
Average	14.2	--	11.4	10.2	11.3	20.6	29.5	a/ 14.5	17.8	15.8
1909	15.8	21.5	9.1	13.7	10.9	22.0	30.5	16.4	14.2	12.8
1910	13.9	14.9	9.4	12.9	12.8	15.6	29.6	13.0	19.3	20.1
1911	12.5	20.8	9.8	9.6	12.3	20.3	30.7	16.4	20.7	17.6
1912	15.9	20.4	11.0	12.5	11.9	20.6	33.7	14.1	19.3	15.9
1913	15.2	21.0	6.4	11.1	12.2	19.8	35.1	18.3	19.6	--
Average	14.7	19.7	9.1	12.0	12.0	19.7	31.9	15.6	18.6	a/ 16.6
1914	16.6	15.7	10.9	2.6	11.0	18.9	29.6	14.4	13.3	9.4
1915	17.0	26.0	10.3	14.3	11.7	16.4	28.6	13.6	17.8	19.0
1916	12.2	17.1	5.2	13.2	10.7	16.5	27.3	15.2	14.9	16.2
1917	14.1	15.8	13.1	11.7	11.6	13.0	22.5	13.3	16.3	--
1918	15.6	10.9	10.6	9.5	10.4	20.5	25.4	17.0	12.6	3.8
Average	15.1	17.1	10.0	10.3	11.1	17.1	26.7	14.7	15.0	a/ 12.1
1919	12.8	10.1	12.5	7.2	11.8	16.0	24.8	16.0	--	15.5
1920	13.6	14.4	10.4	16.1	12.6	18.8	24.3	12.5	14.2	12.3
1921	12.8	12.9	13.4	13.3	9.7	24.3	30.3	16.4	18.3	12.8
1922	13.9	17.8	12.0	11.2	13.0	18.6	21.2	14.2	15.5	14.1
1923	13.4	21.7	14.4	13.1	12.1	20.2	29.1	19.6	20.6	15.4
Average	13.3	15.4	12.5	12.2	11.8	19.6	25.9	15.7	a/ 17.2	14.0
1924	16.5	11.9	10.7	15.2	11.6	20.6	24.6	15.1	14.8	9.0
1925	12.9	19.0	10.0	11.2	10.4	23.8	30.8	20.6	20.3	12.8
1926	14.8	17.8	11.5	13.8	10.7	17.9	24.1	18.2	20.2	13.5
1927	14.9	19.5	12.1	9.3	10.7	21.1	27.6	15.9	19.1	12.6
1928, prel.	15.4	22.8	--	--	9.0	(18.7)	--	19.0	--	16.5
Average	14.9	18.2	a/ 11.1	a/ 12.4	10.5	a/ 20.9	a/ 26.8	17.8	a/ 18.6	12.9

a/ Four year average.

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September 26, 1928

MACARONI PRODUCTS INDUSTRY CONTINUES TO GROW

The macaroni products industry of the United States is becoming an increasingly large user of durum wheat, according to the United States Department of Agriculture. About 15 million bushels of the 1927 crop of durum wheat were ground into semolina and durum flour in the United States. It appears that last year's grindings into semolina and durum wheat flour are the largest that have ever occurred.

The rapid growth of our macaroni products industry during the past fifteen years is indicated by our foreign trade in macaroni, spaghetti, vermicelli and similar preparations. Prior to the war, the United States was a large importer; net imports for the five-year period, July 1, 1909 to June 30, 1914, averaging well over 113 million pounds yearly, and being over 100 million pounds in each of the five crop years. With the coming of the war the foreign supply of these products was almost completely cut off and the United States began to develop its own Macaroni Porducts or Alimentary Paste Industry. Since 1921 the United States has been a consistent exporter. For the year ended June 30, 1928, net exports of macaroni and similar preparations amounted to almost 5.5 million pounds, and for the five-year period ended on that date they averaged 3.5 million pounds. Not only that, but considerable amounts of our domestic grindings of semolina and durum wheat flour are also exported.

The following table gives statistics as compiled from the reports of the United States Department of Commerce on the grinding of durum wheat, and the net amount of semolina and durum flour available for consumption in the United States. These figures do not include the entire durum wheat grindings of the industry, but represent the grindings of ten mills which grind practically all of the durum wheat made into semolina.

Production and consumption of durum products in the United States

Year ended June 30	Durum wheat ground	Production		Available for consumption (Production less exports)	
		Semolina	Flour	Semolina	Flour
	Bushels	Barrels	Barrels	Barrels	Barrels
1925	11,263,112	1,803,480	734,992	1,557,363	352,236
1926	14,214,994	2,187,053	966,425	2,007,247	602,878
1927	12,082,205	2,033,666	673,946	1,867,386	352,759
1928	14,613,827	2,317,327	763,585	2,174,560	515,484

From this it appears that during the four years there has been an upward trend in the use of the raw materials for the manufacture of macaroni production and hence in the output of the products. The four-year average consumption of 2,357,478 barrels of semolina and durum flour would result in an average production of over 140 million pounds of macaroni products yearly.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

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October 20, 1928.

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to October 18, 1928)

The world's supply of wheat for the 1928-29 marketing season now appears likely to be about 5 per cent larger than the supply available for the 1927-28 season, but this increase will be largely offset by an increase in demand, according to the Foreign Service of the Bureau of Agricultural Economics. The Canadian crop is again of poor quality, but the quality of the European crop appears to be somewhat better than last year. The European market is strengthening. Agricultural Commissioner Steere reports a good demand for spot wheat to cover immediate requirements of mills in many parts of northern Europe, and prices have risen to higher levels.

World Wheat Supplies

September increases in estimates of production raise the total of crops in Northern Hemisphere countries reporting to date, outside of Russia, to 3,221 million bushels, an increase of 225 millions or 7.5 per cent over the estimates of last year's crops in the same countries. The significance of this increase in countries reporting is offset to some extent by poor wheat crops in Turkey, North China and poor bread grain crops in Russia. Reports to Agricultural Commissioner Steere indicate that the wheat crops of the Balkan countries may be overestimated by 40 million bushels. On the other hand, the German official estimate may be a little too low. In the Southern Hemisphere conditions have improved so that with the increase in acreage, the crops of Australia and Argentina may be 50 to 70 million bushels greater than last year.

In estimating an increase of about 5 per cent in the world's supplies, allowances are made for an apparent underestimate of last year's Canadian crop, 25 million bushels, an underestimate of the French crop, about 10 millions, and some increase in shipments to Turkey and Russia, the crops of which are not included in the supply figures for last year used in this comparison. The supply figures used in the comparison also include accounted for stocks, July 1, 1928, amounting to 346 million bushels as compared with 323 million bushels in the same positions July 1, 1927.

North America

The North American crop is now estimated at 1,466 million bushels, an increase of 141 millions or nearly 11 per cent over last year. The United States estimate has been revised upward by nearly 3 million bushels to 904 million bushels, putting the crop about 3.6 per cent above last year. The quality of this year's crop is estimated to be slightly better than average and better than last year, being placed at 89.4 per cent of a "high medium grade", compared with 88.4 in 1927 and an average of 88.8 for the ten years 1918 to 1927. The improvement in quality of winter wheat and Durum as compared with last year is only very slight, but there has been a greater improvement in other spring wheat.

The Canadian crop, on the other hand is reported to be poorer in quality than last year. The quality there is officially estimated in terms of a percentage of the average weight per measured bushel in the preceding ten years and is poorer this year than in any of the preceding five years, being 95 per cent compared with 97 in 1927, 96 in 1926, 101 in 1925, 97 in 1924 and 96 in 1923. Reports of frost damage have led to the expectation of a lowering of grades and a reduction in the amount of millable crop which would not show in the weight per bushel. There has been no revision to date of the official September estimate of production. The inspections of new crop wheat to the end of September showed that 75 per cent of the crop, excluding durum wheat, graded Number 1 to Number 4 northern inclusive (contract grades) against nearly 68 per cent for the corresponding period last year. As the early movement was largely from sections not seriously affected by the frosts, it cannot be taken as representative of the whole crop. The corresponding figure for the first eight days of October is only 55 per cent with a tendency to become lower rather than higher. The Canadian Pacific Railway reports that in Manitoba the crop is grading satisfactorily, mostly Number 2 and 3 northern, but in Saskatchewan extensive frost damage is revealed and in Alberta there is a great deal of variation in grades of wheat coming into elevators. Prairie fires in Alberta have destroyed some grain both in the shock and in graneries.

The lack of adequate storage facilities for the big Canadian crop is recognized as a problem this year and furthermore the increased use of combined harvesters and motor trucks by farmers tends to more rapid delivery. To meet this problem the Saskatchewan wheat Pool has offered a premium of one cent a bushel for wheat delivered after February which will be increased to 2 cents for wheat delivered after March 1 and to 3 cents for wheat delivered after April 1, according to Trade Commissioner J. Bartlett Richards at Winnipeg. The Alberta Pool has made a similar offer, of a premium of 1 cent a bushel on wheat delivered after December 30 and 2 cents after February 1. This schedule reflects the somewhat different conditions in Alberta where elevator capacity is smaller than in Saskatchewan and where they are less affected by the closing of the lakes since they can ship via Vancouver.

Farmer's deliveries have been unusually heavy in spite of these measures. Total receipts at country elevators and platform loadings reported this season to September 30 amounted to 131 million bushels compared with only 39 million last year and 52 million the year before. These heavier marketings are partly reflected in the stocks in store in the western grain division which on October 5 were 86 million bushels compared with only 31 million at the same time last year and 41 million in 1926. More grain is being held at interior points and more is being shipped away from the western division this year than in the past two years, so stocks are not yet heavy at the terminal elevators. Total receipts at Fort William, Port Arthur, Vancouver and Prince Rupert up to October 5, were 57 million bushels compared with 18 million in 1927 and 46 million in 1926. Total shipments from these points through October 5, equaled 60 million bushels this year compared with 30 million last year and 36 million in 1926. There has been a big increase in the shipments from Vancouver, the total so far this year amounting to 4,800,000 bushels compared with only 461,000 last year and 534,000 in 1926. Stocks in store at Fort William, Port Arthur October 5, were only 22 million bushels compared with 12 million last year and 21 million in 1926.

The European crop

Upward revisions have been made in the production estimates of several European countries during the past month and the European crop outside of Russia reported to date is 1,356 million bushels, an increase of 121 million bushels or 9.8 per cent over last year's crop. Most later revisions are expected to be downward rather than upward. This total includes much larger estimates than usual in some of the southeastern countries and the belief is general that they are too high. The estimate for Italy has been reduced by nearly 8 million bushels, and that for Spain by 12 million. The Spanish crop as now reported is the smallest in recent years and may necessitate imports.

Russian procurings during September tend to bear out the official estimates of a decrease in bread grain production although the latest report from the International Institute of Agriculture indicates a smaller reduction in crop than was previously reported, the total wheat and rye crop as now reported being only about 3 per cent below last year. This apparent improvement in the situation is brought about partly by downward revisions in last year's estimates, but also by an increase in the report of 1928 wheat production. Russian wheat and rye production figures together with those for other countries are given on pages 5 and 6. Wheat and rye procurings in September totaled 38,662,000 bushels compared with 42,013,000 last year. Wheat procurings alone were larger than last year, amounting to 29,725,000 bushels this year compared with 27,998,000 bushels in 1927.

All reports of this year's crop in Europe indicate good quality. In Germany 57 per cent of the winter crop, which constitutes about 90 per cent of the total, is reported as weighing over 59 pounds to the measured bushel, whereas, last year only 29 per cent of the winter wheat weighed so much. Rye is also much heavier this year than last. See table, page

Asia

Turkey is reported to have a short crop, one report placing it at 45 per cent below a normal crop. The normal Turkish crop is not known. Production in 1925 was reported at 39,510,000 bushels, which was a larger crop than usual, judging by the shipments of wheat to that country from the United States and Canada. In North China famine conditions appear to be more acute than reported a month ago. No change is reported in other parts of the Orient. There appears to be a good market for American Club straight flour, but good crops of the native wheats in Manchuria, in Japan and the region supplying the Shanghai mills give no promise of heavy imports of other wheats at least until later in the season.

Southern Hemisphere

Conditions in Argentina and Australia continue favorable and the present outlook is for a larger crop than in any recent year. In Argentina weather conditions as reported through most of the season appear to be fully as good as if not better than last year when the yield was 12.1 bushels to the acre. That yield on the acreage now reported would give a crop of about 250 million bushels. Changes in temperature in October have an important bearing on the size of the Argentine crop and by the end of the month a more careful indication of the size of the crop may be available. In Australia rains have occurred in the dry areas in the east which appear to have helped the crop materially and as conditions in western Australia have been good throughout the season it now seems probable that a better than average harvest may be realized, probably between 150 and 170 million bushels, unless conditions change materially the balance of the season, as compared with 110 million last year.

WHEAT: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928 preliminary
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Canada	197,119:	395,475:	407,136:	440,025:	550,482
United States	690,108:	676,429:	831,040:	872,595:	903,865
Mexico	a/ 11,481:	9,213:	10,333:	11,890:	11,332
Total	898,708:	1,081,117:	1,248,509:	1,324,510:	1,465,679
EUROPE					
France	325,644:	330,644:	231,767:	276,128:	277,669
Italy	184,393:	240,845:	220,644:	195,809:	228,580
Spain	130,446:	162,592:	146,599:	144,825:	128,935
Germany	131,274:	118,213:	95,429:	120,522:	126,463
Rumania	a/158,672:	104,741:	110,883:	96,734:	130,512
Yugoslavia	62,024:	78,646:	71,427:	56,568:	105,361
Hungary	71,493:	71,675:	74,909:	76,933:	83,328
Poland	63,675:	57,797:	47,080:	54,230:	53,645
Bulgaria	37,823:	41,360:	36,544:	47,346:	51,104
Other Eur. count. rept'g in 1928 excl. Russia	162,286:	154,676:	140,550:	166,056:	160,310
Total Europe rept'd in 1928 excl. Russia	1,327,730:	1,361,389:	1,175,832:	1,235,151:	1,355,907
Other Europe excl. Russia	20,440:	29,449:	27,682:	29,121:	(27,500)
Total Europe excl. Russia	1,348,170:	1,390,838:	1,203,514:	1,264,272:	1,383,400
NORTH AFRICA					
Morocco, Algeria, Tunis and Cyrenaica	58,885:	66,905:	52,930:	61,244:	68,236
Egypt	33,662:	36,248:	37,207:	44,346:	(40,000)
Total North Africa	92,547:	105,153:	90,137:	105,590:	108,000
ASIA					
India, Japan, Chosen	383,827:	371,047:	363,598:	375,370:	331,308
Syria, Cyprus, Lebanon & Palestine	12,519:	16,451:	19,202:	18,425:	(18,900)
Total above Asiatic count.	396,346:	387,498:	382,800:	393,795:	350,200
Total count. rept'g 1928 (31).	2,669,150:	2,882,458:	2,840,869:	2,996,275:	3,221,130
Total all above countries	2,735,771:	2,964,606:	3,924,960:	3,088,167:	3,307,000
Est. N. Hemis. total ex. R & C	2,759,000:	3,026,000:	2,981,000:	3,136,000:	
SOUTHERN HEMISPHERE					
Argentina	147,059:	191,141:	220,827:	239,162:	b/(250,000)
Australia	90,497:	114,504:	160,762:	109,925:	b/(160,000)
Other Southern Hemisphere count.	44,000:	57,000:	58,000:	54,000:	
Total S. Hemisphere estimate	282,000:	363,000:	440,000:	403,000:	
Est. world total ex. R & C	3,041,000:	3,389,000:	3,421,000:	3,539,000:	
Russia, production	756,941:	730,090:	819,744:	749,026:	c/859,789
Russia, net exports	160,000:	27,000:	49,000:	(7,000):	

Compiled from official sources and International Institute of Agriculture except rough estimate for 1928. Russia and China abbreviated R. and C. a/ Four-year average. b/ Rough forecast on basis of acreage and conditions reported to date. c/ Rye production is small this year and geographical distribution of Russian grain crop is unfavorable. There is also a larger proportion of spring wheat this year which is used more largely for domestic consumption than winter wheat.

RYE: Production in specified countries, average 1909-1913, annual 1925-1928

Country	Average 1909-1913	1925	1926	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
United States	36,093	46,456	40,795	58,811	43,274
Canada	2,094	9,158	12,179	14,951	16,879
Total	38,187	55,614	52,974	73,762	60,153
EUROPE					
Netherlands	16,422	16,396	13,644	13,594	17,047
Belgium	23,644	21,704	20,108	21,854	27,676
Luxemburg	651	360	353	354	331
France	52,501	43,662	30,076	33,955	35,352
Spain	27,636	29,880	23,504	26,515	24,200
Portugal	2,300	4,599	3,638	4,677	3,418
Italy	6,317	6,704	6,496	5,937	6,560
Switzerland	1,783	1,642	1,583	1,589	1,705
Germany	368,337	317,418	252,187	269,025	303,280
Austria	23,785	21,656	18,712	20,126	19,239
Czechoslovakia	63,538	58,097	45,908	49,297	52,674
Hungary	31,377	32,524	31,416	22,365	32,518
Yugoslavia	9,004	7,864	7,454	5,923	8,563
Greece	1,129	1,566	1,412	2,420	2,337
Bulgaria	8,345	7,154	7,133	8,243	9,019
Rumania	20,644	7,997	11,242	9,323	11,833
Poland	218,943	257,249	197,289	223,939	232,274
Lithuania	24,283	26,117	13,810	21,188	19,086
Finland	10,490	13,683	11,908	12,892	10,942
Total Europe	911,129	876,272	697,873	753,216	818,044
Total above countries	949,316	931,886	750,847	826,978	878,197
Est. N. Hemis. total, excl. Russia and China	1,023,000	1,000,000	807,000	878,000	
Est. world total excl. Russia and China	1,025,000	1,007,000	812,000	887,000	
Russia	735,505	877,500	903,100	933,033	783,433

Other Crops Which are a Factor in the Wheat Market

The European rye crop outside of Russia reported to date is estimated at 818 million bushels, compared with 753 million bushels in the same countries last year and 876 millions in 1925. The increase in the rye crop as compared with last year will, of course, result in lower rye prices, and possibly more of the rye will be fed to livestock. The European barley and oats crops are somewhat larger than last year but the corn crop is short. Corn production in six southern European countries from which reports have been received to

date totals 276 million bushels, compared with 327 millions last year and 472 millions in 1926. In northern Europe the potato crop is sometimes a significant factor in the wheat market. The crop reported to date is not quite so large as last year.

World Market Prospects

Wheat is moving into consumption at a good rate and markets in general are strengthening. Prices rose in September and market activity improved. Agricultural Commissioner Steere at Berlin reports buying active in Continental Europe to October 13, with large quantities changing hands. Stocks in trade channels were at a relatively low level nearly everywhere at the beginning of September and this gave rise to a good demand for spot wheat to cover immediate requirements of mills in many parts of northern Europe. Port stocks of imported grain at the end of September seemed to be somewhat larger than at the beginning of the month but were still moderate. As a result of hand-to-mouth buying, it seems certain that Continental European millers' requirements for overseas grain will be extensive in the next few months.

The marketing of the continental wheat crop is proceeding slowly. Lateness of crops and field work have been factors in the delay but dissatisfaction with current prices also appears to be a factor. There seems to be a rather general tendency for farmers to hold their grain wherever possible. The trade is expecting increased marketings as soon as seasonal work slackens and this is probable, but there seems to be a noticeable tendency to hold even in the Danube Basin where work is advanced. Danube offerings which were reported to be large about the middle of September have slackened and marketings are more steady.

September developments in Russia indicate with more certainty than ever that Russian participation as a wheat exporter is not to be expected this season. It would not be surprising if Russia again enters the markets as an importer next Spring, and at an earlier date and on a larger scale than last year. Russian press statements, many of them quoting Government officials, now admit practical failure of the winter wheat crop in the Black and Asov Sea regions and even point to the existence of a serious problem in supplying the population with adequate foodstuffs in some parts of this section. Other reports also indicate a tense situation in the large consuming centers. The total Russian crop of bread grains is now officially placed below that of last year, with poor yields in the important export regions and the best outturn in the eastern part of European Russia and the western part of Siberia, where the problem of transporting grain to the consuming centers is a formidable obstacle. Recent reports are also much concerned over wet grain in many parts of this region, which is especially significant when the grain is so far from market.

Wheat imports into Japan during July and August from the United States, Canada and Australia were 1,805,000 bushels, compared with 1,948,000 bushels for those months last year, when they represented 96 per cent of the Japanese imports of wheat. Imports of United States and Australian wheat were less than a year ago, whereas Canadian wheat showed about the same as last year.

European Import Requirements

European wheat import requirements for the 1928-29 season probably will not be much less than for last season. The increase of about 121 million bushels in Europe outside of Russia indicated to date by official forecasts and estimates is probably greater than the real increase in production. Reports to the Berlin Office indicate that the production of the four surplus-producing Balkan countries may be about 40 million bushels less than the official estimates received to date. The official German estimate may be too low by 5 or 10 million bushels and the estimates of some of the other North European countries may be slightly increased, but not enough to offset the overestimates of the Balkan countries. There is some evidence also that last year's French crop was underestimated, and, therefore, this year's crop is not so much in excess of last years as is indicated by the comparison of the official figures. In other words, the actual increase in European production outside of Russia is probably less than 100 million bushels. Some improvement in quality adds to the significance of this increase. Mr. Steere estimates the improvement in quality to be equivalent to an addition of about 18 million bushels to the crop. On the other hand, conditions are favorable for a material increase in European consumption.

It is a well recognized fact that European consumption is larger in years when domestic crops are large than in years when the domestic crops are small. Apparently when wheat is pentiful more is used on farms as well as in the homes. The unusually low price of wheat at the beginning of this season, small stocks of overseas grain, together with a poor corn crop in southern Europe and a shortage of feed supplies over much of the Continent will tend to increase import needs this year and offset the increase in bread grain supplies. Mr. Steere estimates that low prices, reduced stocks and feed shortages will increase consumption by 20 to 30 million bushels in the deficit countries. He further estimates that a short corn crop and low prices in the Danube Basin may reduce exports from that territory by about 25 to 30 million bushels from what they would export on the basis of last year's supplies and exports. Should some of the European markets choose to stock up on the low-priced wheat from this year's crop, European takings for the season may yet equal last year's takings.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries, years beginning July 1, 1923-24 - 1928-29

Country from which exported	1923-24	1924-25	1925-26	1926-27	1927-28	Prel. est. 1928-29 Min	Prel. est. 1928-29 Max	Net exports reported July 1 to	1927-28	1928-29
	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush		Mil bush	Mil bush
United States	132	255	92	206	191	200	220	Oct 13	a/ 100	a/ 53
Canada	343	194	320	305	305	345	390	Aug 31	23	65
Russia	21	1	27	49	7	0	-15	Oct 15	1	b/
British India	18	45	7	9	12	-5	-20	Oct 15	8	1
Hungary	17	15	19	21	22	25	30	)		)
Rumania	c/ 6	4	8	11	5	15	20	) Sept 29	2	1)
Bulgaria	c/ 2	c/ d/ -2	4	2	2	5	10	)		)
Yugoslavia	c/ 6	9	12	10	1	20	30	)		)
Algeria	c/ 9	d/ -1	5	d/ e/ -1	4	2	5	Aug 31	1	1
Argentina	170	125	100	140	186	125	160	Oct 15	23	26
Australia	83	124	77	97	74	75	85	Oct 15	18	14
Total all coun. listed	807	769	671	849	809	807	915		176	161

a/ Exports through October 13 less imports through August. b/ Less than 500 bushels. c/ Year ended July 31. d/ Net imports. e/ 10 months.

WHEAT, INCLUDING FLOUR: Net imports into European importing countries, 1923-24 - 1927-28 and estimates of probable imports, 1928-29 as indicated by reports to date

Country	Year beginning July 1 1923-24	1924-25	1925-126	1926-27	1927-28	Prel. est. 1928-29 Min	Prel. est. 1928-29 Max	Net imports reported July 1 to	1927-28	1928-29
	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush	Mil bush		Mil bush	Mil bush
Great Britain	210	216	188	218	194	200	220	July 31	38	36
Italy	70	96	64	87	87	70	80	Aug 31	13	16
Germany	30	71	56	94	92	75	90	Aug 31	17	14
France	51	41	34	53	54	45	60	July 31	10	3
Belgium	40	39	39	40	42	39	42	Aug 31	7	7
Netherlands	27	26	27	28	31	28	31	Aug 31	4	4
Czechoslovakia	19	23	19	21	21	20	24			
Greece	19	22 a/	(22)	(20) a/	(20)	18	20			
Irish Free State		19	18	19	18	18	20	July 31	2	1
Austria	17	16	15	17	15	16	18			
Switzerland	16	14	14	17	18	16	18	Aug 31	3	3
Sweden	12	11	6	6	9	10	12	Aug 31	2	1
Norway	6	5	6	6	6	5	7	Aug 31	1	1
Denmark	9	6	6	7	11	10	12	Aug 31	1	2
Finland	5	4	5	5	6	5	6	July 31	b/	b/
Poland	3	14 c/	2	7	8	5	10	July 31	b/	1
Total above	534	623	517	645	632	580	670		98	89
Principal non-Eur. count..						150	165			
Total above importing count:						730	835			

a/ Rough approximation. b/ Less than 500 bushels. c/ Net export.

WHEAT AND WHEAT FLOUR: Supply, distribution and per capita consumption in terms of wheat, 1925-1928

Item	Year beginning July 1			
	1925	1926	1927	1928
	Million bushels	Million bushels	Million bushels	Million bushels
Wheat flour in terms of grain				
Supply:				
Stocks, July 1 (commercial) a/	17	16	18	19
Visible b/	9	10	9	9
Mill grindings (commercial mills) a/	534	554	555	
Mill grindings (custom and small mills)	10	10	10	
Imports	---	---	---	
Total available supply	570	590	592	
Accounted for:				
Shipments to Alaska, Hawaii, Porto Rico	2	3	3	
Exports	43	63	58	
Stocks, June 30 (commercial) a/	16	18	19	
Visible	10	9	9	
Total accounted for	71	93	89	
Available for consumption	499	497	503	
Population, January 1 following year (millions)	116.3	117.9	119.3	
Per capita consumption (bushels)	4.29	4.21	4.22	
Supply and utilization of wheat				
Total supply as of July 1	790	929	996	1,019
Imports (grain only)	16	13	16	(16)
Total supply for the season	806	942	1,012	(1,035)
Mill grindings	544	564	565	(570)
Seed	82	88	94	(85)
Exports (grain only)	63	156	146	(150)
Accounted for use	689	808	805	(805)
Remainder to be accounted for	117	134	207	230
Carryover (including wheat of merchant mills in transit)	98	124	128	(150)
Unaccounted for (feed, waste, etc.)	19	10	79	(80)

Figures in parenthesis are interpolations indicating approximately how this years supply may be utilized.

a/ Compiled from United States Census estimate. Estimated to represent all merchant mills.

b/ Chicago Board of Trade as published in the Chicago Daily Trade Bulletin.

Wheat Prices

Wheat prices generally continued low in September. Farmers reported an average price of 94 cents per bushel as of the middle of September, compared with 95 cents in August and 119 cents in September, 1927. The prices of all classes and grades at six principal markets increased from 107 cents per bushel the second week in September to 111 cents the week ending September 28. October began with lower prices, averaging 107 the first week and averaged 109 the second week, the drop being caused largely by heavy sales of durum at low prices.

Soft red winter wheat prices continue about on a par with last year. The price of No. 2 soft red winter at St. Louis the second week of October averaged 149, compared with 147 for the corresponding week in 1927. Other classes of wheat are generally from 10 to 20 cents under the prices of a year ago. Hard winter protein premiums are somewhat less, but spring wheat protein premiums at Minneapolis are running somewhat higher than last season.

Closing prices of December futures on October 18 showed little change from a month ago for thetchief Unites States markets and Winnipeg. Liverpool showed an advance of 5 cents and Buenos Aires an advance of 7 cents. Futures prices in United States markets for a like period last year showed a decline of 3 to 4 cents. Winnipeg and Liverpool showed little change last year, while Buenos Aires dropped 4 cents. Prices, however, are 10 to 12 cents lower than a year ago for the United States markets, 9 cents for Winnipeg, 15 for Liverpool and 13 cents lower for Buenos Aires compared with last year. Future prices have dropped slightly for the past week in the United States markets while they have held about steady in foreign markets or raised slightly.

Although the world wheat supply this season appears to be about 5 per cent larger than the supply available for last season this increase will be partially offset by an increase in the demand. Short wheat and rye crops in Turkey and North China will provide a market for some of the increase in production. Short corn crops in the Balkan countries will cause an increase in the consumption of wheat in the countries which are in the habit of consuming large quantities of corn as a food.

Prospects are in general that wheat prices will hold near present levels during the next few weeks, with fluctuations due to reports of crop conditions in the Southern Hemisphere and European buying. The closing of the Lakes about the first of December will temporarily affect competition from Canada. A continuation of low prices will lead to an increased consumption. Ultimately the market will be strengthened by more material evidence of the real demand for wheat. Prices of soft red winter wheat should continue at about present levels and may go somewhat higher before the year ends. Some increase in price is to be expected in hard red winter and spring wheats before the end of the season.

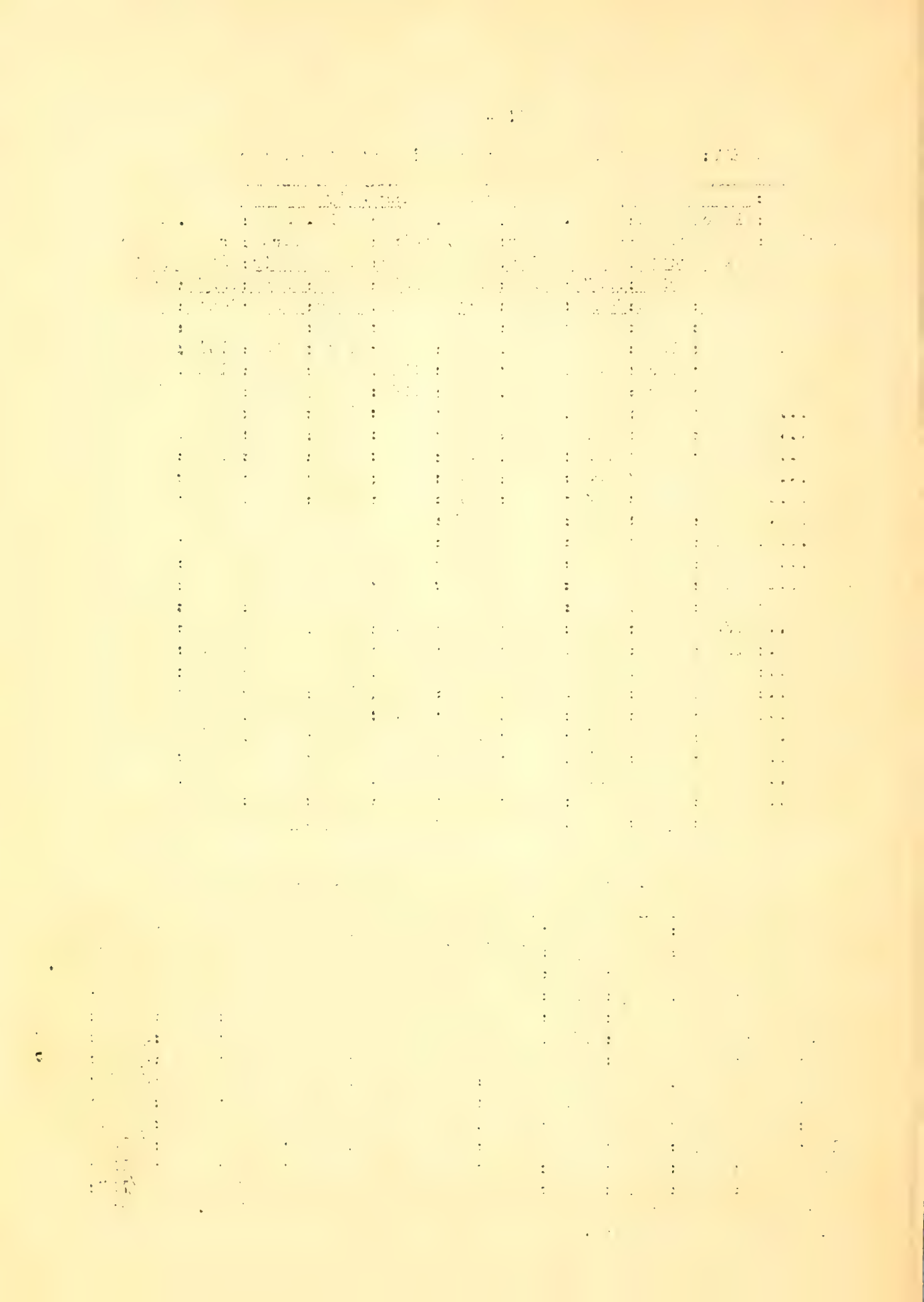
WHEAT: Weighted average cash price at stated markets

Period	Year beginning July 1									
	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.n.spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1927	1928	1927	1928	1927	1926	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	139	126	136	120	158	147	153	123	141	147
Aug	136	109	135	106	150	124	140	108	142	138
Sept	129	109	131	117	137	126	128	106	142	145
Oct	125		128		134		123		145	
Nov	126		131		134		128		141	
Dec	128		132		137		132		144	
Jan	131		133		143		130		151	
Feb	132		133		142		129		156	
Mar	137		138		147		133		169	
Apr	151		152		163		141		196	
May	151		160		178		140		196	
June	142		147		153		131		179	
Sept 7	133	110	132	106	143	125	135	104	145	147
14	128	107	129	105	136	123	126	104	142	143
21	126	108	129	107	134	126	122	107	140	145
28	127	111	131	110	136	130	123	109	143	148
Oct 5	126	107	132	110	133	125	122	109	149	145
12	128	109	131	111	136	124	126	113	147	149
19	126		128		137		124		142	
26	121		125		131		120		141	
Nov 2	123		128		132		121		143	

WHEAT: Closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires 1/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept 13	130	113	123	107	129	110	129	110	151	129	2/138	2/110
20	129	115	123	109	127	112	128	118	150	131	3/134	2/110
27	130	118	125	112	128	115	131	116	152	135	3/133	2/113
Oct 4	132	118	126	112	129	114	131	118	152	136	3/131	2/115
11	134	117	125	111	128	113	131	118	152	135	3/131	4/117
18	125	115	120	110	123	111	127	118	151	136	3/130	4/117
25	125		119		123		127		150		3/127	
Nov 1	126		121		123		127		147		4/127	

1/ Prices are as of day previous to date of other market prices. 2/ October future. 3/ November future. 4/ February future.



Germany

Wheat prices at Hamburg rose 7 cents during the last month after a drop of 32 cents from July 4 to September 12. They are now 17 cents below a year ago. Rye prices at Berlin have shown little change during the past month but have fallen off 37 cents since July 4 and are now 17 cents below last year's prices.

SPOT PRICE per bushel of wheat at Hamburg and rye at Berlin

Date	Wheat - Hamburg		Rye - Berlin	
	1927	1928	1927	1928
	Cents	Cents	Cents	Cents
July 4	193	164	157	163
11	184	163	155	164
18	183	160	152	156
25	183	157	151	150
Aug 1	182	157	132	148
8	not rec'd	155	130	140
16	" "	150	135	137
23	" "	153	145	134
30	169	148	142	131
Sept 6	not rec'd	139	149	133
12	172	132	151	125
19	163	134	145	126
26	162	136	146	127
Oct 3	160	138	144	126
10	158	141	143	126
17	158		148	
24	156		151	
31	156		142	

Source: Cables from L.V. Steere, Agricultural Commissioner, Berlin.

Japan

The milling industry in Japan was somewhat slack during the latter part of September and the first of October, due mainly to the seasonal decrease in the domestic demand, according to a cable from Consul Kemper at Tokyo. The export demand for flour on the other hand was good. The domestic flour market was weak and the price of standard flour on October 1 was ¥1.60 per bag against ¥1.63 on September 1 and August 1. The price of United States western white, No. 2 wheat, at mills in Japan on October 1 was quoted at an equivalent of ¥1.65 against ¥1.59 on September 1 and ¥1.71 on August 1. Canadian No. 5 was ¥1.60 on October 1, or 4 cents below the price of September 1. Australian wheat was ¥1.67 against ¥1.65 on September 1.

The Pacific Coast Wheat Situation

Pacific Coast wheat prices have already responded to the shortage of soft wheats in the eastern part of the United States. For the week ending October 5 the cash price of western white at Seattle averaged 118 cents per bushel as compared with the price of No. 2 red winter at St. Louis of 145. Although western white wheat is not a perfect substitute for the soft red winter wheats of the Ohio Valley, it has been selling in St. Louis at prices only a few cents under those of soft red winter wheat.

The differential in prices between the Pacific Coast and St. Louis has been sufficient to cause a considerable amount of wheat from Idaho to be shipped eastward by rail. There has also been shipment of wheat by boat to the Atlantic seaboard, the Columbia River shipments having been, during the period July 1 to September 30, 121 thousand bushels this year as against one thousand last year. Puget Sound shipments during the same period were 39 thousand this year as against none last year. These shipments by rail and by sea indicate that the present differentials between Pacific Coast prices and eastern prices are about as large as they can be, except over short periods, or late in the season when the wheat has moved out of the more eastern part of the wheat regions tributary to the Pacific Coast, and when there is not sufficient time to ship by water from the ports. The rail freight rate from the Coast to St. Louis is 37.2 cents per bushel.

The shortage of soft wheat in the east has affected the Pacific Coast situation, not only through a direct demand for wheat to be shipped east, but also through an increased demand for soft wheat flour from the Pacific Coast. According to the Northwestern Miller, "the large milling capacity of Utah and Southern Idaho, operating at full capacity and shipping 60 to 90 per cent of its output to the domestic East, has not been able to supply the increasing eastern and southeastern demand caused by the short winter wheat crops of the Ohio Valley, and buyers continue to look to the Pacific Northwest to fill the deficiency." A report to the Northwestern Miller from Portland says:

> "There were inquires from China for January flour, but the mills were not prepared to sell so far ahead, because of the lightness of wheat offerings.
>
> "Southeastern and Atlantic Coast business was good, sales having been the largest in recent years to date. Mills are well booked ahead on foreign and domestic orders, some of them until well after January 1."

Wheat ground during August in Idaho and the three Pacific Coast States was 4,256,000 bushels as compared with 3,367,000 bushels last year.

As has been indicated, the increased demand for Pacific Coast wheats is due to the United States having an unusually small crop of soft wheat this year. Estimates of wheat production by classes are of uncertain accuracy, but the best information available indicates a soft red winter wheat crop of 139 million bushels this year as compared with 180 million bushels last year, and the average for the five preceding years of 222 million bushels. The production of white wheats, which are only partly soft, appears to be this year about 85 million bushels as compared with 94 million bushels last year, and 77 million bushels for the average of the five preceding years. Stocks of the soft wheats also appear to be unusually low.

In all but one of the past eight years No. 2 red winter at St. Louis has, during the latter half of the crop year, sold at a premium over No. 2 hard winter. In five of these years the price of the soft wheat relative to that of the hard has been higher in the latter half of the year than during the months July to December. This, in conjunction with the very short crop of soft wheat of this year, suggests that the Pacific Coast may do well to consider the possibility of so handling its crop as to benefit from the higher premiums on soft wheat which may develop later in the year. However, with the premium on soft winter in St. Louis now running at about 30 cents per bushel, there is a real question whether the soft wheat millers will be willing to pay a much greater differential. Any great improvement in soft wheat prices may be contingent upon a rise in the price of the varieties which are on an export basis.

Last year, though a considerable amount of soft red winter wheat was exported early in the year, there developed a shortage of this class of wheat. During the period January to June, 1928, the price of No. 2 red winter at St. Louis averaged 28 cents above No. 2 hard winter, and in April it was 39 cents above.

It appears that last year's consumption (production minus exports) of soft red winter wheat in the United States was about 167 millions bushels. Consumption of white wheats appears to have been about 64 million bushels, making the combined consumption of soft red winter and white wheat 231 million bushels. It will be seen that the total production of soft red winter this year appears to be nearly 30 million bushels below the consumption of last year -- a year in which the premiums for the soft red winter ran high. The total production of soft red winter and white wheat this year is estimated to be nearly seven million bushels below the consumption of last year.

The demand for soft wheat flour is sufficient to require for domestic milling all of the good quality soft wheats which now remain in the country, and the Pacific Coast may expect the prices of their soft winter and white wheats to move in much the same way as soft red winter does in the East. A narrowing of the margin between them is in prospect only in case the local mills are faced with a shortage of wheat

and are able to get higher prices for flour. The three Pacific Coast States and Idaho appear to have a crop of about ten million bushels of soft red winter wheat this year as compared with twelve million last year, and a crop of 71 million bushels of white wheat as compared with 77 million last year.

WHEAT: United States production by classes, 1923-1928

Year	Total	Hard red spring	Soft red winter	Hard red winter	Durum a/	White
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1923	797	126	272	242	56	102
1924	864	192	189	365	66	52
1925	676	156	170	206	65	80
1926	831	121	229	360	48	73
1927	872	199	181	318	80	94
1928						
(July)..	800	155	122	368	82	74
(Oct) ..	904	203	139	386	90	85

These production estimates are based upon percentages of area, by classes in 1924, supplemented by percentages in 1923.
a/ Crop estimates of four States plus 1924 indications in other States.

GERMANY: Weight of wheat and rye per bushel, 1927 and 1928

Weight per bushel	Winter wheat a/		Weight per bushel	Winter rye	
	1927	1928		1927	1928
	Per cent	Per cent		Per cent	Per cent
Less than 57 lbs.	28	7	Less than 53 lbs.	31	7
57-59 lbs.	43	36	53-55 lbs.	46	38
over 59 lbs.	29	57	over 55 lbs.	23	55

a/ 90 per cent of the total wheat crop in 1928 was winter wheat.

GERMANY: Grains stocks in farmers' hands and stocks available for sale, September 15, 1927 and 1928

Crop	Stocks held by farmers		Stocks available for sale	
	Sept 15, 1927	Sept 15, 1928	Sept 15, 1927	Sept 15, 1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Winter wheat	97,296	a/ 101,426	77,705	a/ 85,472
Winter rye	226,796	251,025	133,425	164,361
Winter barley	10,890	10,985	6,095	5,582
Spring barley	94,983	93,419	68,336	72,400
Oats	420,632	404,707	163,907	170,403

a/ Not definitely stated to be winter wheat only, but no change has been reported in the system of expressing stocks of winter and spring wheat separately, so this is assumed to be winter wheat. Winter wheat comprises 90 per cent of the 1928 wheat production.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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F.S.
WH-29

November 21, 1928

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to November 17, 1928)

The world's wheat crop for this season is about made. The world crop outside of Russia and China is now estimated to be about 3,700,000,000 bushels, compared with 3,600,000,000 bushels last year, an increase of 3 per cent, according to the Foreign Service of the Bureau of Agricultural Economics. Adding an increase in carryover at the beginning of the year will bring the total world supply for the season to about 4 per cent greater than for last season.

While the Russian wheat crop is estimated to be larger than last year, the crop is so distributed and the rye crop is so short that Russia will have no wheat to export and probably will have to import more wheat this year than last. While the wheat crop is fairly good in parts of China, North China has a short crop and the Manchurian crop is of low quality.

The corn crop of Southern Europe is so short that the prices of both wheat and corn are relatively high and it is apparent that more than the usual amount of wheat is being utilized within the country, so that the Balkan countries, even with larger crops, may export no more than last year.

A large part of the Canadian crop is of low grade and a high percentage of it is being classed as feed. Frost damage and dockage seem to have reduced the millable value of the crop so much that it may not be equivalent

to that of last year. The Canadian crop has moved rapidly and large quantities have been exported.

Exporting countries have moved a large volume of wheat and apparently most of it has been absorbed. There is no apparent accumulation of stocks in European ports.

Low prices are encouraging wheat consumption. Agricultural Commissioner Steere reports that large amounts of bread grain are being used for feed in Europe. The flour demand continues normal and millers are buying steadily.

World Production

Estimates and forecasts of production of wheat to date in the Northern Hemisphere outside of Russia and China total 3,200 million bushels, which is 4.7 per cent greater than last year. The Australian crop is now officially estimated to be 150 million bushels compared with a revised estimate of 117 millions last year. Weather conditions through October indicate a crop of about 230 million bushels in Argentina, compared with 239 millions last year. Adding the Australian and Argentine estimates to all others reported to date gives a total of 3,587 million bushels, as compared with 3,416 millions produced in the same countries last year. These countries last year produced about 96 per cent of the world's production outside of Russia and China. Allowing about the same production as last year in countries not reporting would bring the world's total production to 3,730 million bushels, compared with 3,565 million bushels last year. Since it is apparent that the French and Canadian crops last year were under-estimated and we believe that this year's Balkan crops are a little over-estimated, it is estimated that the world's total crop exclusive of Russia and China is about 3,700 million bushels, compared with 3,600 millions last year.

The first official estimate of the Argentine crop will not be available until in December. Present indications, however, are for a crop no larger than last year and possibly smaller, in spite of an increase in acreage. An analysis of the relation of weather conditions to yields has given a very close approximation to the actual outturn of the crop in the past three years. Last year a crop of 230 million bushels was indicated by analysis, and a revision of the method of analysis brings that indication up to 237 millions. The final official estimate of the crop was 239 million bushels. Applying the revised methods to conditions to date for this year indicates a yield of about 11 bushels per acre, with a probability that it will not be more than .9 of a bushel above or below this yield. Applying this indicated yield per acre to the present official estimate of the area indicates a crop of about 230 million bushels, with a probability that it will not be more than 19 million bushels above or below this figure. See production tables on pages 19 and 20.

Canada

The Canadian crop for 1928 is now estimated at 501 million bushels compared with the September estimate of 550 millions and last year's official estimate of 440 millions. It is not expected that last year's estimate will be officially revised before January, but indications from inspections, car loadings, receipts at country mills and elevators place it at about 465 to 485 million bushels.

Inspections of Canadian wheat to date indicate that the effective supply of Canadian bread wheat from this year's crop may be smaller than from last year's crop, although within the individual grades the quality is reported as running better this year than last. The total wheat grading numbers 1 to 5 plus no grade up to the first of November included only 72 per cent of the total wheat graded, compared with 89 per cent last year. No grade is included with the first five grades as millable wheat since last year the large proportion of no grade was caused by excessive moisture which condition was later improved and the grain later used as good millable wheat. Applying these percentages to the total crop would give a supply of about 360 million bushels millable wheat exclusive of durum this year, compared with 392 millions last year on the basis of the official crop estimate. These inspections include much wheat that was harvested early and thus did not suffer frost damage, and later inspections may average lower than those so far reported.

The significance of higher percentages in the lower grades is indicated by the range of prices from the lowest to the highest grade. Assistant Trade Commissioner Brookhart at Winnipeg submits a table of prices as prepared by the Evans Statistical Service showing the approximate average return per bushel to the farmers at country elevator points with freight and elevator charges deducted, as of a given date.

Net returns to farmers on principal grades at country points price basis, October 29, 1928 (Fractions omitted)

Grade	Manitoba	Saskatchewan	Alberta
	Dollars	Dollars	Dollars
1 Northern	1.08	1.04	1.03
2 Northern	1.02	.98	.97
3 Northern	.97	.93	.92
4	.89	.85	.84
5	.76	.72	.71
6	.65	.61	.60
Feed	.61	.57	.56

Farmers' deliveries of wheat continue heavy, amounting to 211 million bushels up to October 21 compared with only 87 millions for the same period last year and 128 millions in 1926. Much of the grain is still held in country points or in transit, however. As a result of the holding of grain at country points and the heavy shipments from the terminal points, the stocks at Fort-William-Port Arthur have not been piling up unduly, although they are much heavier than last year, amounting to 39 million bushels on November 2 this year, compared with 20 millions in 1927 and 28 millions in 1926. Stocks are by no means up to the capacity of the elevators in Fort William-Port Arthur. In April 1928, 66 million bushels were held in store and additional facilities have since been added.

European production

The only change of importance reported in European production during the past month has been a downward revision of 15 million bushels in the Rumanian estimate, which tends to confirm the belief stated last month that the high estimates in the Danubian countries were in the aggregate about 40 million bushels too high. Total European production reported to date outside of Russia amounts to 1,342 million bushels compared with 1,234 million bushels last year. Reports on quality of the European crop continue favorable except in Russia where the crop is now officially reported to have suffered great deterioration through the unfavorable weather at harvest time. Plans which are being contemplated in Russia for introducing a 95 per cent milling ratio confirm the reported bread grain shortage at least in the consuming regions.

In the Balkans, in addition to the probable decrease in the estimates of this year's production, the exportable wheat surplus is expected to be further decreased by the short corn crop, since the poorer grades of wheat will be fed to stock to permit the export of corn. This situation is borne out in Rumania by reports of prices prevailing there. The September average wheat price at Braila was $1.30 a bushel which was practically the same as the price which prevailed that month in 1927, and at the end of September it was higher this year than last year. This seems out of line with world wheat prices but has apparently been forced up by the demand for wheat to replace corn. Corn was not quoted in September but in August the corn price at Braila averaged $1.43 a bushel compared with $0.82 a bushel in August, 1927, and when corn was $1.43 wheat was selling for $1.32 a bushel. The Rumanian corn crop, according to the last estimate, was less than three-fourths of the preceding year's crop and the total feed grain crop was less than 90 per cent of last year's small crop. The small volume of wheat exports from the Danube countries reported since July 1 compared with last year appears to further bear out the lack of a large exportable surplus, although the reduction might be caused by the heavy competition from Canadian wheats the past few months.

Asia

There is now reported an inferiority in quality of Turkish crop wheat as well as a shortage in quantity already mentioned. The Turkish government is reported as planning a law to cut down imports of foreign wheat to a minimum by fixing the proportion of exclusively home-grown ingredients which may be utilized in making the bread of the country. Pure white bread will cease to exist until the crop situation takes a turn for the better.

In Shanghai, wheat arrivals during the past five months confirm previous reports of a large wheat crop in the lower Yangtze valley. The quality of the Manchurian crop, however, is reported as especially poor. The Oriental situation is discussed more fully on pages 10 and 11.

Wheat prices

Wheat prices dropped to a low level in October, but the crop from the beginning to the middle of the month was practically recovered by the end of the month. The average of prices reported by farmers at mid-October was affected largely by prices received early in the month and is higher than the average for the latter half of the month. Farm prices averaged 98.7 cents per bushel, compared with 94 in September and with 114 in October, 1927. The prices of all classes and grades at six markets dropped from 111 cents per bushel the last week in September to 105 the third week in October, but in the week ended November 2 had again reached 110. Early in November prices declined a little but are holding fairly close to the level reached at the beginning of the month.

The prices of all classes of wheat dropped to a low level in October, but soft red winter held fairly close to last year's level. The average price of No. 2 red winter dropped from 149 cents the second week in October to 138 the week ended October 26. This was a low week last year, averaging 141. The price of No. 2 amber durum at Minneapolis dropped to 108, then rose to 121 the first week in November, the same as for the corresponding week last year. This rise appears to be due to a relative scarcity of amber durum and does not accurately represent the change in the value of all durum wheat. No. 2 winter at Kansas City and No. 1 spring at Minneapolis reached low points in the week ended October 26 and recovered in the next week. Protein premiums for both No. 1 dark northern spring and No. 2 hard winter have tended downward for the season to date. The premiums for No. 1 dark northern, 14 per cent protein, averaged about 18 cents for October, compared with 26 in September. The protein premiums for No. 2 hard winter wheat fluctuated greatly in the latter part of October, but settled down early in November to a level somewhat lower than the average for September.

Wheat prices in general probably will hold near present levels during the next few weeks, fluctuating to some extent on reports of conditions in the Southern Hemisphere and the European markets. It seems possible that the low point for the season has been reached, although fluctuations may carry prices back near to the low level reached in October, for short periods. Prices of soft red winter wheat will probably continue through another month about on a level with last year's prices. Some increase is to be expected in prices of hard red winter and spring wheats within the next two or three months. For comparison with previous seasons, see attached charts.

WHEAT: Weighted average cash price at stated markets

Period	Year beginning July 1									
	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.n.spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	139	126	136	120	158	147	153	123	141	147
Aug	136	109	135	106	150	124	140	108	142	138
Sept	129	109	131	107	137	126	128	106	142	145
Oct	125	107	128	110	134	123	123	112	145	144
Nov	126		131		134		128		141	
Dec	128		132		137		132		144	
Jan	131		135		143		150		151	
Feb	132		133		142		129		156	
Sept 7	133	110	132	106	143	125	135	104	145	147
14	128	107	129	105	136	123	126	104	142	143
21	126	108	129	107	134	126	122	107	140	145
28	127	111	131	110	136	130	123	109	143	148
Oct 5	126 *	107	132	110	133	125	122	109	149	145
12	128	109	131	111	136	124	126	113	147	149
19	126	105	128	109	137	124	124	108	142	147
26	121	105	125	107	131	119	120	115	141	138
Nov. 2	123	110	126	112	132	124	121	121	143	140
9	126	108	130	110	135	122	130	114	142	141
16	127		131		133		130		142	
23	127		134		134		128		142	
30	126		132		134		127		140	

WHEAT: Closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept. 13:	130	113	123	107	129	110	129	110	151	129	b/138	b/110
20:	129	115	123	109	127	112	126	118	150	131	c/134	b/110
27:	130	118	125	112	128	115	131	116	152	135	c/133	b/113
Oct. 4:	132	118	126	112	129	114	131	118	152	136	c/131	b/115
11:	134	117	125	111	128	113	131	118	152	135	c/131	d/117
18:	125	115	120	110	123	111	127	118	151	136	c/130	d/117
25:	125	113	119	107	123	109	127	117	150	134	c/127	d/116
Nov. 1:	126	116	121	111	123	112	127	119	147	137	d/127	d/116
8:	126	114	122	108	123	110	127	118	148	134	d/129	d/116
15:	128	116	123	110	124	111	132	120	152	135	d/129	d/115
22:	132		123		124		132		152		d/131	
29:	129		123		125		133		151		d/128	

a/ Prices are as of day previous to date of other market prices. b/ October future. c/ November future. d/ February future.

International trade

The balance of millable wheat available in exporting countries for export between now and the beginning of the new marketing season in the Southern Hemisphere the latter part of January now appears to be as small as or smaller than at this time last year. In Canada the crop of millable wheat, on the basis of the November estimate of total wheat crop appears to be 30 to 60 million bushels smaller than last year. Exports from August 1 through October 31 were nearly 54 million bushels larger than last year. Even allowing for an increase of 30 million bushels in carryover at the beginning of this year, there is left a supply of millable wheat in Canada exclusive of durum, roughly 65 to 85 millions less than at the same time last year, assuming that domestic consumption will be the same as last year. Argentina has about 20 to 25 million bushels less than at this time last year on the basis of the official estimate of exportable surplus on October 11 and trade reports of exports since then. The surplus appears to be nearly exhausted there and also in Australia.

Russia and India have no exportable surpluses and may be importing before their new crops are available. In the Danubian countries, which are normally exporters, the official estimates of production would indicate a substantial balance for export, but the recent reduction in the Rumanian estimate and persistent trade reports that crops in the other countries are much overestimated point to a probable downward revision for this group as a whole. The heavy decrease in corn production there and the demand for wheat as a substitute for corn indicate that the exportable surplus is probably little if any larger than last year. This probability is borne out by the decrease in exports reported so far this year from those countries which, according to trade reports, are only a third as large as last year.

These indications for the various countries show a surplus now available for export and carryover roughly about the same as at this time last year. The surplus in foreign countries appears to be about 100 to 130 million bushels less than last year. Canadian exports will be materially reduced with the closing of the Lakes, which usually occurs the fore part of December, and which will leave the United States as the only exporting country with any surplus of consequence to supply the importing countries until the new Southern Hemisphere crop comes on the market.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries, 1927-28 and 1928-29

Exports				Imports			
Country	Net exports reported			Country	Net imports reported		
	July 1 to	1927-28	1928-29		July 1 to	1927-28	1928-29
		Million bushels	Million bushels			Million bushels	Million bushels
United States	Nov. 3	120	65	Great Britain	Sept. 30	58	50
Canada	Oct. 31	63	145	Italy	Sept. 30	16	23
Russia	Nov. 3	3	a/	Germany	Sept. 30	24	23
British India	Nov. 3	8	1	France	Aug. 31	18	7
Hungary	(		)	Belgium	Aug. 31	7	7
Rumania	(Nov. 3	3	1)	Netherlands	Sept. 30	7	7
Bulgaria	(		)	Czechoslovakia	Aug. 31	4	3
Yugoslavia	(		)	Irish Fr. State	Aug. 31	3	3
Algeria	Sept. 30	2	2	Switzerland	Sept. 30	4	4
Argentina	Nov. 3	26	35	Sweden	Sept. 30	3	3
Australia	Nov. 3	19	18	Norway	Sept. 30	2	2
				Denmark	Aug. 31	1	2
				Finland	Aug. 31	1	1
				Poland	Aug. 31	a/	2
Total		244	267	Total important European countries		148	138

a/ Less than 500 bushels.

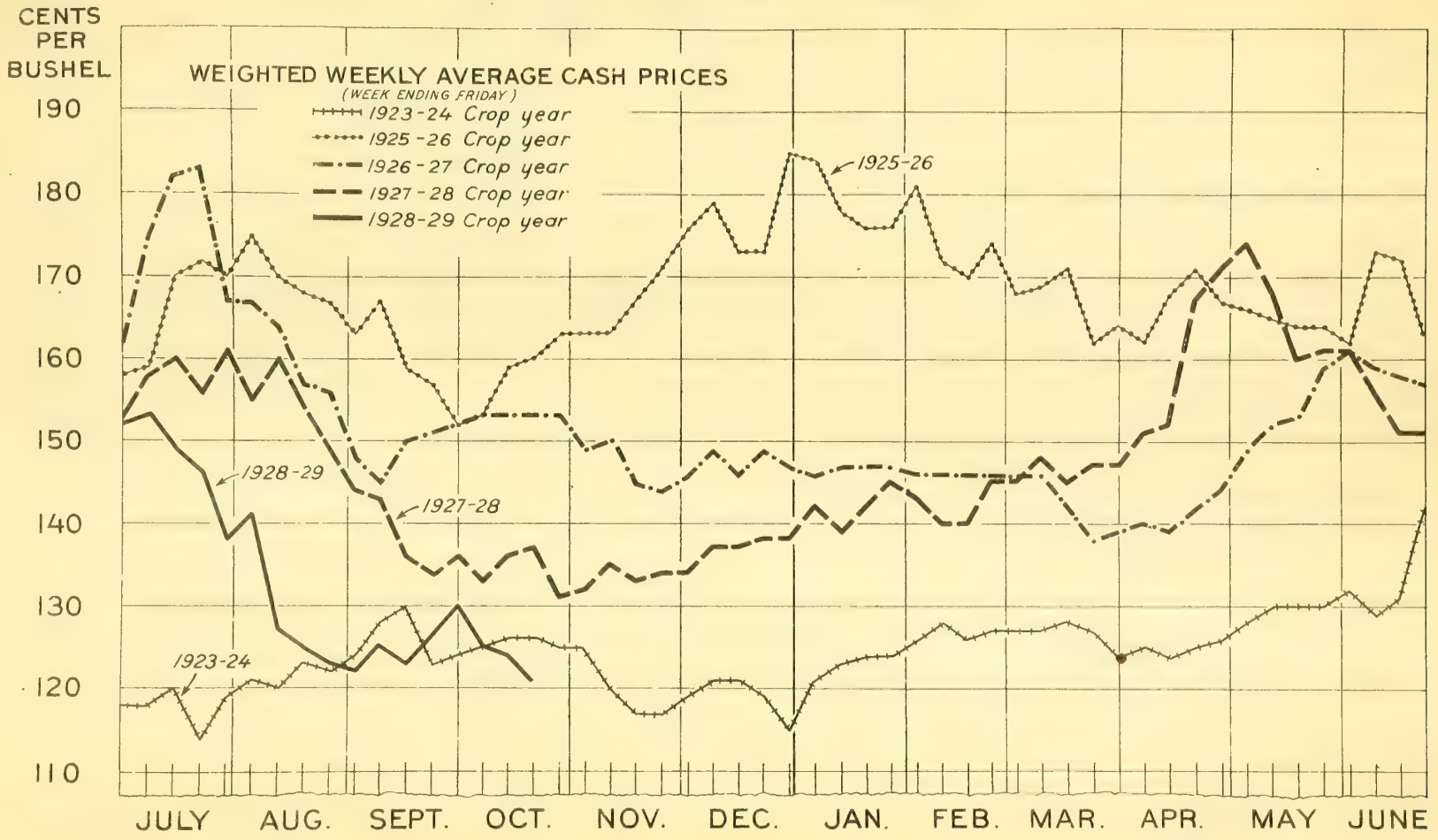
Canadian Wheat Quality and Grades

Grade	1927		1928	
	Cars	Per cent	Cars	Per cent
Total	71,988		125,280	
Durum	5,800		11,061	
Total other than durum	66,188	100.0	114,219	100.0
No. 1 northern	1,812	2.7	2,521	2.2
No. 2 northern	8,714	13.2	19,757	17.3
No. 3 northern	15,645	23.6	26,658	23.3
No. 4 northern	8,191	12.4	21,584	18.9
No. 5 northern	2,595	3.9	17,031	14.9
Total No. 1 to No. 5	36,957	55.8	87,551	76.6
No. 6	1,141	1.7	16,054	14.1
Feed	451	.7	5,843	5.1
No grade	26,764	40.4	2,854	2.5

United States inspections of specified classes of wheat, per cent of each grade to total inspections of that class in Kansas City, St. Louis, Minneapolis, and Duluth, 3 months 1927 and 1926, and all markets for 12 months July, 1927 - June, 1928

Class, market and period	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Sample	Total
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
Hard red winter							
1927, 12 mo. all markets	32.3	39.8	13.4	6.2	3.6	4.7	100
1927, 12 mo. K. C. & St. L.	25.6	36.9	14.9	8.1	6.9	7.6	100
1927, 3 mo. K. C. & St. L.	29.1	36.2	15.0	10.1	3.0	6.6	100
1928, 3 mo. K. C. & St. L.	29.7	32.0	19.2	10.4	3.5	5.2	100
Soft red winter							
1927, 12 mo. all markets	16.6	40.5	21.5	12.5	3.6	5.3	100
1927, 12 mo. K. C. & St. L.	4.5	24.8	33.3	19.7	9.9	7.8	100
1927, 3 mo. K. C. & St. L.	4.3	22.7	34.6	23.4	8.1	6.9	100
1928, 3 mo. K. C. & St. L.	19.2	42.0	15.5	13.0	2.8	7.5	100
Hard red spring							
1927 12 mo. all markets	44.0	23.6	17.1	7.6	2.6	4.9	100
1927, 12 mo. Mpls. & Duluth	44.0	24.4	19.2	7.3	1.8	3.3	100
1927, 3 mo. Mpls. & Duluth	50.3	22.4	17.3	7.1	1.5	1.4	100
1928, 3 mo. Mpls. & Duluth	62.0	18.4	11.1	5.0	.8	2.7	100
Durum							
1927, 12 mo. all markets	18.2	50.0	15.6	8.9	3.4	3.9	100
1927, 12 mo. Mpls. & Duluth	19.1	46.7	16.0	10.0	3.9	4.3	100
1927, 3 mo. Mpls. & Duluth	22.1	47.0	15.3	9.6	2.7	3.3	100
1928, 3 mo. Mpls. & Duluth	16.3	49.0	16.5	12.1	2.6	3.5	100

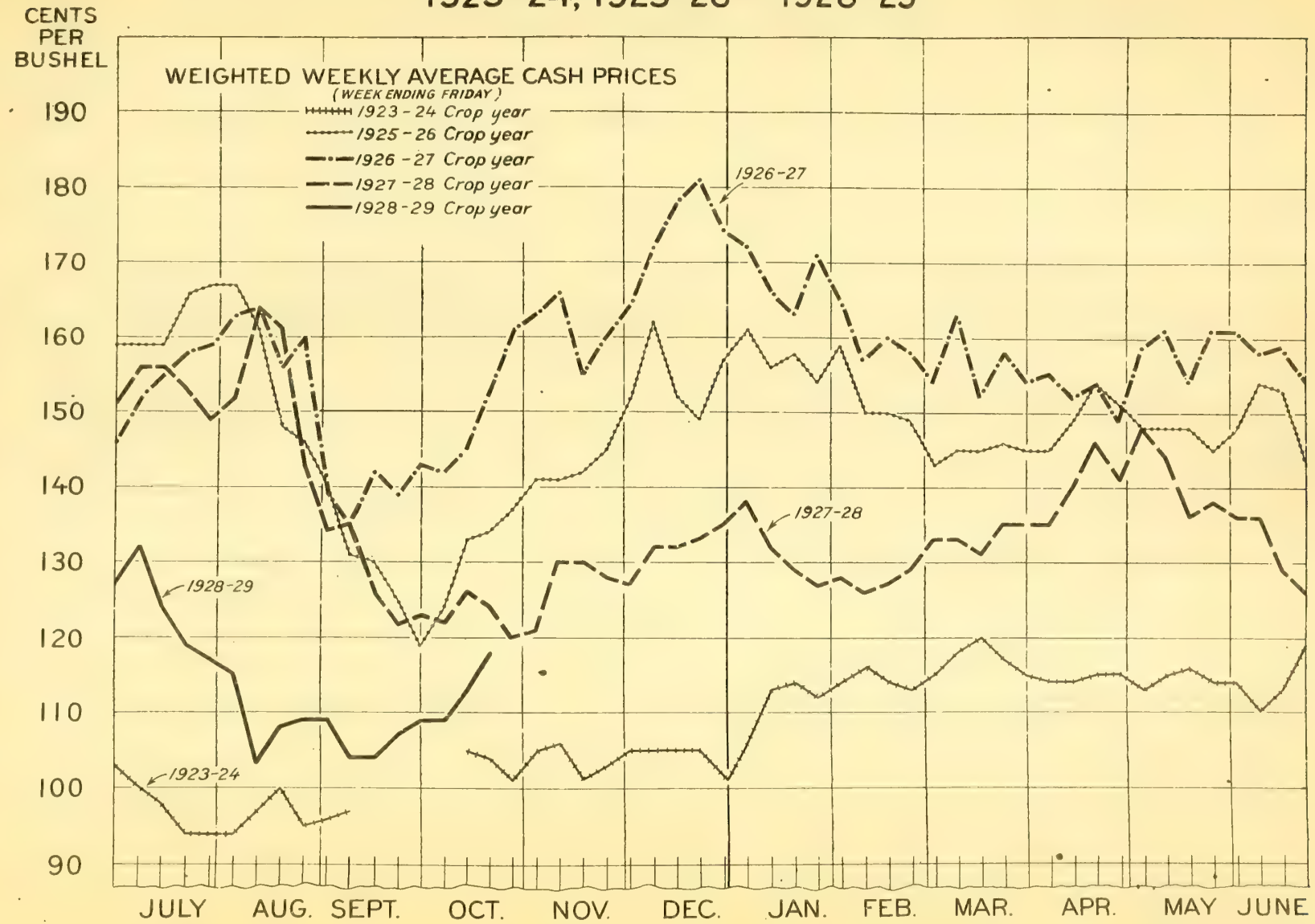
WHEAT: PRICE OF NO. 1 DARK NORTHERN SPRING AT MINNEAPOLIS
1923-24, 1925-26 — 1928-29



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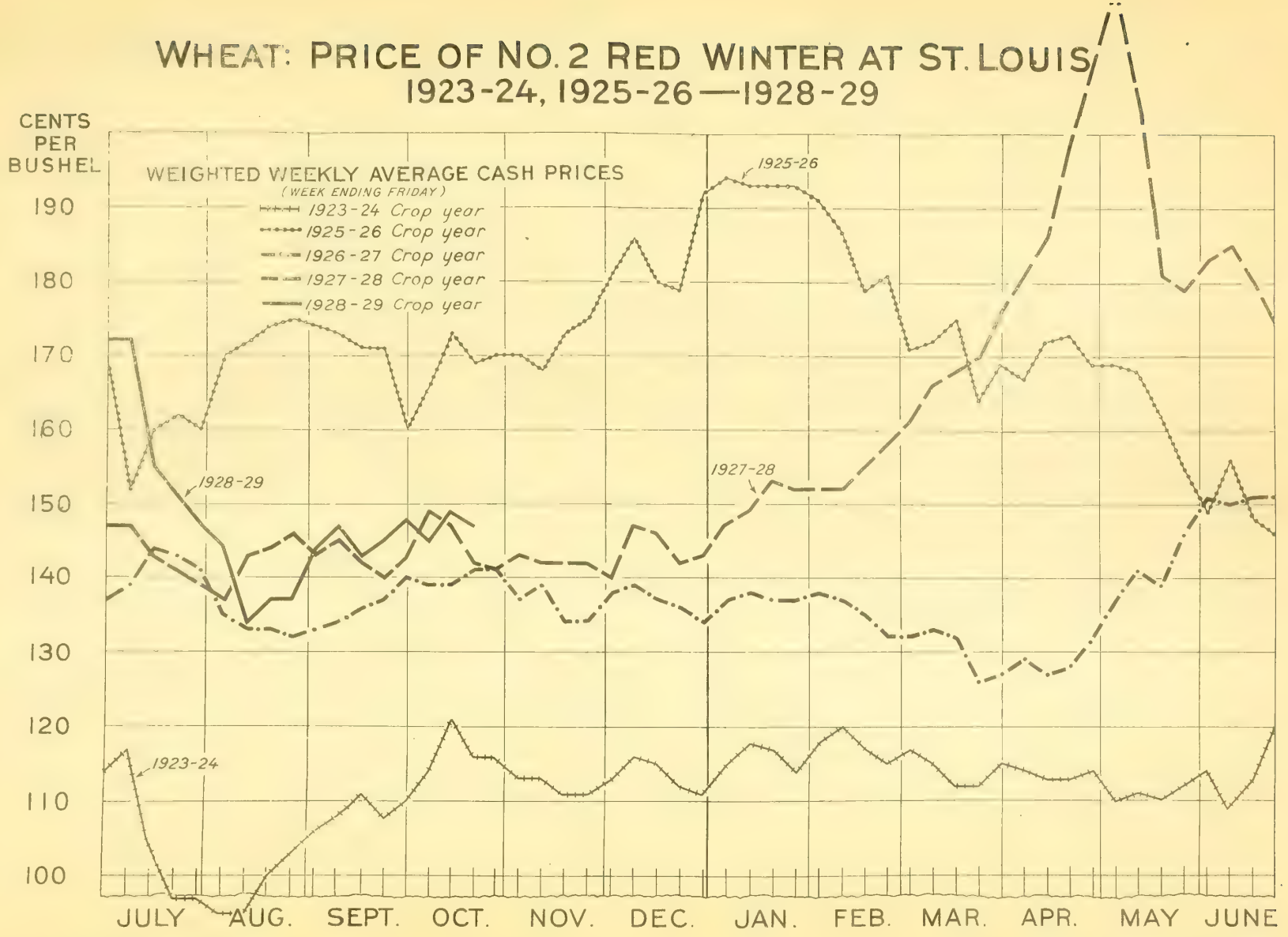
WHEAT: PRICE OF No. 2 AMBER DURUM AT MINNEAPOLIS
1923-24, 1925-26 — 1928-29



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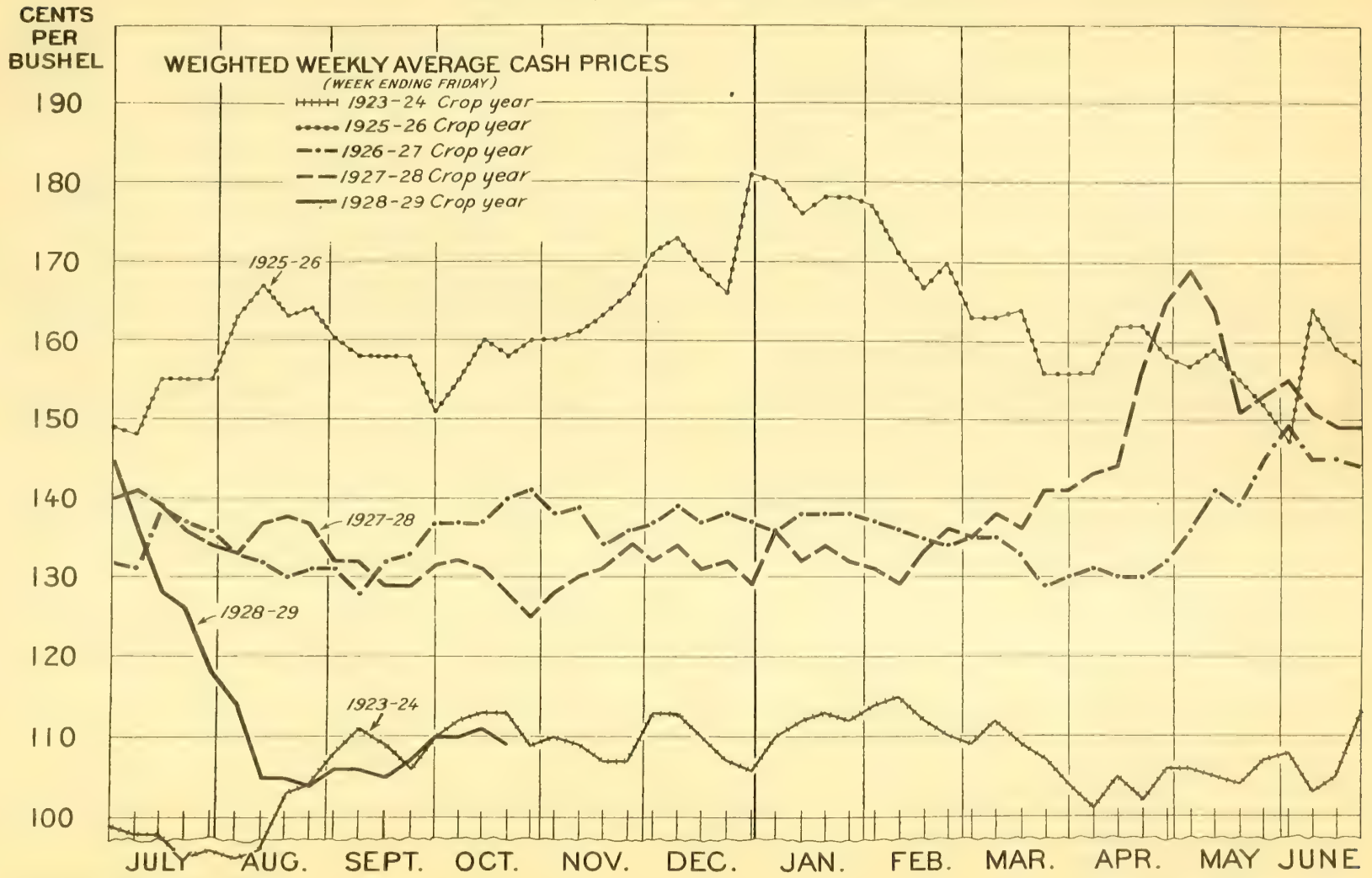
WHEAT: PRICE OF NO. 2 RED WINTER AT ST. LOUIS
1923-24, 1925-26—1928-29



U.S. DEPARTMENT OF AGRICULTURE

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WHEAT: PRICE OF NO.2 HARD WINTER AT KANSAS CITY
1923-24, 1925-26 — 1928-29



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Oriental wheat situation

Shanghai

Wheat arrivals at Shanghai during the past five months have confirmed previous reports of a large crop of wheat in the lower Yangtze Valley and mills have operated practically at capacity since June 1, according to a report from Agricultural Commissioner P. O. Nyhus at Shanghai. Exports of native flour from Shanghai for the third quarter of this year are 7,200,000 bags of 50 pounds compared with 5,600,000 bags for the corresponding quarter of last year. There have also been exports of wheat to Tientsin of 767,000 bushels.

At this time, however, the crop is pretty well consumed, arrivals and stocks are very small and prices are rising. In view of the inadequate supplies, a considerable part of the milling capacity will close down at the close of this month for a period of weeks until foreign wheat arrives, which has been ordered from Canada. Importers estimate that contracts have been made for 5,000,000 bushels of Canadian No. 4 and 5 wheat for delivery mostly in January and February. About 500,000 bushels of western red No. 2 have been ordered. Millers state that Canadian No. 4 and 5 are of satisfactory quality and that western red No. 2 has been too high in price both in relation to Canadian wheat and in relation to local flour prices. Millers are still in the market for March deliveries.

Quotations are as follows: C. i. f. native spot at Shanghai, $1.15 a bushel; January delivery native, $1.27; Canadian No. 4, $1.27; Canadian No. 5, $1.16; western red No. 2, $1.27; Australia, $1.31; flour per bag spot, $1.01, and January delivery, $1.02. This shows an increase in domestic prices since the first of July, but a decrease in western red. On July 2 domestic wheat was selling in Shanghai at $1.07 a bushel for immediate delivery and $1.19 for September delivery, compared with $1.60 for American western red No. 2, $1.47 for Canadian No. 3, and $1.59 for Australian, all for July shipment.

Local stocks of flour have been large for some time and in addition this is normally a dull trading season so that the local market is weak. It is reported that buyers for Tientsin are holding stocks at Shanghai in preference to shipping to Tientsin on an already weak market at the latter place. A local mill owner who also operates a mill at Harbin states that the quality of the North Manchurian crop is especially poor, that wheat prices are high in relation to flour prices, and that it is difficult to find an outlet for Harbin flour at a profit.

Japan

The milling industry in Japan was somewhat slack the latter part of October due mainly to the seasonal decrease in the domestic demand, but mill stocks on November 1 were smaller than normal, according to a cable from Consul Kemper at Tokyo. The domestic market for flour was firm and the export demand fair. Prices at mills on November 1 for imported wheat

declined from the prices quoted on October 1 but the wholesale price of flour rose 9 cents a bag during the month. The price of United States western white wheat No. 2 on November 1 was quoted at $1.63 per bushel, Canadian No. 5 at $1.38, and Australian wheat at $1.62 per bushel. The corresponding prices on October 1 were $1.65, $1.40 and $1.67, respectively. The imports of wheat during September were below the imports of either of the two previous months of the season, amounting to 1,029,000 bushels, of which United States furnished 129,000 bushels, Canada 596,000 bushels, and Australia 118,000 bushels. The decrease in imports was perhaps due to the fact that mill stocks on September 1 were larger than normal. Imports for the season from July 1 through September have amounted to 3,498,000 bushels against 2,871,000 bushels last year.

The continental European wheat situation during October

The development of wheat prices in continental European markets during October has continued to be somewhat lacking in uniformity, but generally speaking, quotations are higher at the close of the month in conformity with the tendency overseas according to Agricultural Commissioner Steere. a/ In fact, spot and soon-to-arrive grain as a consequence of reduced stocks at many ports and continued rather healthy demand for current requirements, has shown firmness at times in the face of weakness overseas. Buying for the most part has been of the alternately active and quiet character prevailing in September, but the turnover through most of October remained important and the general tendency of the market relatively favorable, considering the large supplies of grain everywhere available, although the last week in the month the turnover was somewhat less satisfactory. Trade stocks of grain and flour seem light, and the demand for flour fully up to normal, so that continued rather steady buying for milling purposes appears likely.

Reports from most of Northern and Western European markets indicate that farmers are continuing to hold back their grain. Some reports state that German dealers have even had to refuse some export business because of inability to secure the grain. In the Danube Basin, however, an increasing tendency in farmer offers is to be noted, especially in the upper part of the region. In Czechoslovakia and Austria the freer flow of grain is expected to restrict import requirements for some time to come. With marketing of domestic wheat proceeding slowly in Northern and Western Europe and with recent overseas wheat and flour shipments to Europe somewhat lower, there is some trade belief, that the next few weeks may even see strengthening of prices. In Yugoslavia and to some extent in Hungary, also a large recent volume of business is reported and an improved demand for wheat in consequence of the corn shortage.

Prospects for the wheat crop in continental Europe at the end of October differ but slightly from those prevailing a month ago. Market reports, however, continue to emphasize the relative cheapness

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a/ Based on reports and cables up to November 9.

of bread grains for feeding purposes, and some weakness in the feedstuff market, in fact, is attributed to substitution of low-priced bread grain for feed grain. Reports also indicate that the short corn crop in Southern Europe is likely to be reflected to no little extent in this year's consumption of wheat, reducing the surplus of the export regions and increasing the deficit of importing regions.

Germany

The German bread grain markets have been alternatingly quiet and busy during October, but nevertheless fairly active on the whole, and prices of wheat showed a slightly rising tendency during most of the month, with some weakness at the close. The better trend of the market was mainly a matter of world market developments, as Germany continued to receive a fairly good export demand for domestic wheat from surrounding countries, France as well as the Scandinavian and Baltic countries taking considerable quantities. Rye was also in demand for Scandinavian and Baltic account. This export demand, coupled with rather steady domestic buying for current needs, has now been helping the tone of the market for some weeks, although continued rather small farmer deliveries have also been an influence.

The price of domestic wheat at Berlin on October 24 is $1.37 per bushel as compared with $1.34 on September 26 and the low point of about $1.32 early in September. Rye prices showed very little change during the first half of the month, but have weakened at the close. These price developments have now brought wheat prices to about 13 cents above rye quotations, whereas a month ago wheat was only about 7 cents above. The rye market has been almost entirely influenced by domestic factors, as the rye crop in Germany this year is probably large enough to insure an export surplus for the season as a whole. Farm deliveries of rye in recent weeks have been about normal in size, but market supplies have been sufficient for all requirements, whereas wheat, on the other hand, has been marketed rather slowly. Some difficulty in covering orders for domestic grain both for export and for near delivery locally has even been reported.

The recent development of German wheat and rye prices is shown in the following table.

WHEAT AND RYE: Price per bushel in Germany

Date	Wheat			Rye
	Hamburg	Breslau	Berlin	Berlin
	Cents	Cents	Cents	Cents
September 12	132.3	139.4	132.3	125.2
19	133.6	139.4	133.2	126.2
26	135.5	139.4	133.9	126.8
October 3	138.4	139.4	135.8	126.2
10	140.7	141.3	138.4	126.2
17	142.0	141.3	139.7	126.2
24	139.4	139.4	137.1	124.3
31	139.1			124.3
November 7	138.0			121.9
14	138.0			122.5

Imports of wheat into Germany during September amounted to 8,451,000 bushels as compared with 7,275,000 bushels in September last year and 6,908,000 bushels in August this year, nevertheless, it appears that stocks continue very moderate, inasmuch as the movement of grain to the interior from German ports and the frontier stations on the Dutch border was correspondingly large, while port arrivals have dropped off somewhat during the first half of October. German exports of wheat were also rather large in September, amounting to 584,000 bushels as compared with 169,000 bushels the previous month and 187,000 bushels in September last year. As was to be expected, imports of rye declined, amounting to 728,000 bushels as compared with 1,035,000 bushels in August and 1,429,000 bushels in September a year ago. Exports of rye, however, amounted to 2,382,000 bushels as compared with 622,000 bushels in August, and exceeded imports by 1,653,000 bushels.

The latest available indications of trade stocks of grain in interior Germany - the data being visible stocks at Berlin - seem to indicate only a moderate seasonal increase. Visible stocks of grain at the end of September totaled 18,286 short tons as compared with 10,784 short tons at the end of August. Rye stocks totaled 411,000 bushels as compared with 167,000 bushels a month earlier.

Figures on farm stocks of grain show a somewhat different situation. The indicated supply of wheat available for sale on farms as of September 15 was about 11 per cent larger than a year ago and rye supplies 22 per cent larger than last year. The crop is not only considerably larger than last year, but farmers are also tending to hold back somewhat on deliveries. The data are as follows:

GERMANY a/: Total grain stocks on farms and farm stocks of grain available for sale

(In per cent of the total crop)

Crop	Total stocks		Available for sale	
	Sept 15 1927	Sept 15 1928	Sept 15 1927	Sept 15 1928
Winter wheat	88.9	89.3	71.0	75.2
Spring wheat	95.0	95.0	83.7	86.9
Winter rye	85.5	84.0	50.3	54.6

a/ As estimated by the Deutsche Landwirtschaftsrat.

The actual quantity of grain for sale represented in the above figures we estimate to be as follows:

GERMANY: Grain stocks in farmers' hands and stocks available for sale, September 15, 1927 and 1928

Crop	Stocks held by farmers		Stocks available for sale	
	Sept 15, 1927	Sept 15, 1928	Sept 15, 1927	Sept 15, 1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Winter wheat	97,296	101,768	77,705	85,699
Spring wheat	10,524	10,626	9,272	10,863
Winter rye	226,796	251,025	133,425	163,166
Winter barley	10,890	10,985	6,095	5,582
Spring barley	94,983	93,419	68,336	72,400
Oats	420,632	404,707	163,907	170,403

GERMANY: Weight of wheat and rye per bushel, 1927 and 1928

Crop and date	Below 57 pounds	57 to 59 pounds	Above 59 pounds
Winter wheat	Per cent	Per cent	Per cent
September 15, 1928	7.4	35.6	57.0
September 15, 1927	28.1	43.0	28.9
Spring wheat			
September 15, 1928	4.6	19.7	75.7
September 15, 1927	17.8	34.0	48.2
	Below 53 pounds	53 to 55 pounds	Above 55 pounds
Winter rye	Per cent	Per cent	Per cent
September 15, 1928	7.2	37.7	55.1
September 15, 1927	30.6	46.0	23.1

France

Wheat market reports from France indicate relatively active business during October. While not running to large transactions, the turnover has been of considerable volume, a feature being offers of German and Morocco wheat at advantageous prices. The marketing of native wheat continued rather small during the first part of the month, but was increasing toward the close. Milling demand for wheat continued to be largely for current needs, trade reports indicating that stocks of both grain and flour tended to decrease during the month. Bakers are also buying cautiously and their flour stocks are said to have decreased somewhat. The reports, generally speaking, indicate existence of rather extensive current requirements in the consumptive end of the grain trade. It is interesting to note, on the other hand, that a recent private estimate placed stocks of old wheat in France on August 1 at 24,000,000 bushels, a figure tending to confirm the often expressed trade opinion that the government much underestimated last year's wheat crop. Current reports would seem to indicate, however, stocks are now lower.

The recent official estimate of the French wheat crop placing production at 277,657,000 bushels, was closely in accord with two highly regarded private estimates, both of which estimated last year's crop at much above the official figure. The actual yield this year therefore seems still subject to some conjectures. It does appear, however, that production is not far from that of last year, The various estimates are as follows:

	Million bushels
Official estimate	277.7
Sicot	280.4
Destombe	248.9
Bulletin des Halles	281.0

All reports agree that the quality of the wheat crop is very good, and M. Sicot estimates the average bushel weight at 59 to 61 pounds as compared with 56 to 61 last year. Other reports state that 62 pounds is often found.

Weather conditions the latter part of October favored Autumn work and sowing has been progressing satisfactorily. In the past few days, however, excessively hard rains are reported over South and Central France.

Italy

The Italian wheat markets report activity in October, with a very respectable turnover of both native and foreign grain. Transactions in amber durum were especially large. In addition to overseas grain, purchases of Hungarian and Yugoslavian and German wheat were reported, the latter in decreasing volume.

Already reported, but of enough importance to mention it again, is the action of the Italian Government in September in raising the duty on wheat from 39.38 cents to 57.75 cents per bushel, and from $1.01 to $1.47 per 100 pounds for flour. This measure is intended to reinforce the Government's previous efforts to encourage grain production in the face of present lower prices. The abolishment on September 25 of the 82 per cent milling percentage law should also work in the direction of increasing demand for grain.

Belgium

A generally active and satisfactory business has been reported from the Belgian wheat market during October. Spot prices have been firm in the face of occasional weakness at overseas markets, this being attributable to rather low wheat stocks and the entire absence of some grades at Antwerp.

The Belgian grain crop is now reported above average, with wheat, however, lacking in uniformity and good results in some places being offset by poorer returns elsewhere. Rye is reported generally better than wheat.

Holland

The wheat market in Rotterdam showed somewhat less activity than other markets during October, although business was of considerable size. Dutch mills are reported to have shown active interest for Plates and Manitobas, but Rhenish mills and the dealers followed a hand-to-mouth policy. The accumulation of rather large stocks at Rotterdam during September has doubtless had something to do with the quieter tone of this market, but stocks have now been somewhat reduced.

Danube Basin

Reports from the Danube wheat markets indicate that activity in the grain business has fluctuated widely during October. At times Hungarian and Yugoslavian exports have been very small in consequence of domestic prices being above export parity, but at others, Yugoslavian wheat was sold to Italy and even to Bessarabia, according to reports, which if true, are very interesting. Marketings by Danubian farmers have increased generally in recent weeks, and are reported plentiful in Austria and Czechoslovakia, which leads the trade to the assumption that for the immediate future, Austria at least, will largely depend upon domestic supplies and hold back from imports.

Wheat crop estimates in the Danubian countries have undergone some downward revision, due to a decrease of 14 million bushels in Rumania to 115.6 million bushels. This estimate still appears high, especially in view of the reports that Yugoslavian grain has been sold for export to Bessarabia, and 110 million bushels seems adequate. The Danubian crop continues to seem generally very satisfactory, both in size and quality. No new official estimate has been issued for Yugoslavia, but our previous estimate of about 90 million bushels still seems reasonable.

The fodder crops have turned out very unsatisfactorily in the Danube Basin and in Czechoslovakia, particularly with corn, clover and hay. As a consequence, the Austrian, Czechoslovakian and Hungarian Governments have decreed that exports of cattle feed can take place only by special permit, and Hungary has extended its import certificate system to corn imports where hog and cattle exports are concerned. Czechoslovakia has reduced the corn duty from 4.5 cents to 0.376 cents per bushel, effective September 7. As previously stated, a consequence of this situation has been a tendency to feed cheap bread grains. This should tend to sustain bread grain prices.

Distribution of French wheat crop and French wheat import requirements

A report of French wheat requirements for 1928-29 as estimated by "L'Information Financiere", sent in by Consul Cochran, shows a total requirement of 331 million bushels. The distribution of this requirement is placed as given below.

Purpose	Amount required Million bushels
Bread making	275
Seed	37
Macaroni and other manufactures .	15
Waste at mills and farms	4
Total requirement	331

This figure is slightly larger than the average requirement for the past five years as indicated by official reports of production plus net imports given in the table at the end of the statement. These figures indicate an average requirement of 326 million bushels of which 279 millions are supplied by home production and 7 millions from the French colonies, Algeria and Tunis.

The supplies to meet this year's requirement are estimated by "L'Information Financiere" as follows.

Source	Amount Million bushels
1928 domestic crop	278
Stocks on hand October 1	22
Imports from Algeria and Tunis ..	13
Additions by use of long milling and substitutes	22
	335

This estimate assumes a decrease in carryover at the end of the present year and takes no account of the necessity of importing foreign wheat for blending purposes. Such imports are held especially indispensable this year according to the Consul's report since the 1928 crop is not rich in gluten and requires mixing with wheat of higher gluten content.

French farmers are reported as stating that at present prices wheat is not remunerative, and as urgently demanding an increase in the customs duty on imported wheat which at present is 37 cents a bushel. The statement that wheat growing is not remunerative is borne out by the official reports of wheat acreage which are below pre-war, in spite of the fact that France gained territory in the war, and have been decreasing in recent years from 13,300,000 acres in 1921 to 12,795,000 in 1928, a drop of 4 per cent. The decrease in domestic production has not been made up entirely by imports and total consumption in recent years averages/326,000,000 bushels compared with 360,000,000 before the war. /about

Non-farmers are not in favor of an increase in customs duties and recommend the manufacture of better bread to increase wheat consumption, the discontinuance of government control over the wheat market, the improvement of freight rates, and the sale of wheat in monthly installments through cooperative agricultural organizations, which would help the farmers financially by disposing of their production regularly throughout the year.

The following table shows the latest official estimates of French wheat acreage, production, imports and the domestic disappearance as indicated by the production and trade figures.

WHEAT, INCLUDING FLOUR: Acreage, production, net imports and consumption in France, 1921 to 1928

Year	Area	Production	Imports from Algeria and Tunis, year beginning July 1	Total net imports year beginning July 1	Amount available for consumption and carryover
	1,000 acres	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1909-1913 a/ ...	16,159	317,636	---	42,851	360,487
1921	13,300	323,467	7,717	b/ 17,147	340,614
1922	13,072	243,315	2,203	41,354	284,669
1923	13,672	275,569	13,510	51,416	326,985
1924	13,620	281,179	2,094	41,172	322,351
1925	13,672	330,844	6,707	34,023	364,867
1926	12,971	231,767	4,599	52,987	284,754
1927	13,065	c/276,126	5,776	53,580	329,708
Average:					
1923-1927	13,440	279,097	6,937	46,636	325,733
1928	12,795	277,657	d/(1,219)	---	---

Foreign Service of Bureau of Agricultural Economics. Computed from official sources.

a/ Excludes Alsace Lorraine.
b/ Year beginning August 1.
c/ According to trade sources this figure is underestimated by 20 to 35 million bushels. Poor quality of the crop reduces the total amount of millable wheat to some extent.
d/ July only.

WHEAT: Production in specified countries, average 1909-1913, 1923-1927, annual 1923-1928

Country	Av. 1909-1913	Av. 1923-1927	1923	1924	1925	1926	1927	1928
NORTHERN HEMISPHERE	Mill.	Mill.	Mill.	Mill.	Mill.	Mill.	Mill.	Mill.
NORTH AMERICA	bush.	bush.	bush.	bush.	bush.	bush.	bush.	bush.
Canada	197	396	474	262	395	407	440	501
United States	690	808	797	864	676	831	873	904
Mexico [a]	11	11	14	10	9	10	12	11
Total N.America comparable to 1928	898	1,215	1,285	1,136	1,080	1,248	1,325	1,416
EUROPE								
UNITED KINGDOM:								
England and Wales	56	52	55	51	51	49	53	46
Scotland	2	2	2	2	2	2	2	
Ireland	2	1	1	1	1	1	2	
Sweden	8	11	11	7	13	12	11	
Denmark	6	9	9	6	10	9	9	
Netherlands	5	5	6	5	6	5	5	7
Belgium	15	14	13	13	14	13	16	18
France	326	279	276	281	331	232	276	278
Spain	130	147	157	122	163	147	145	129
Portugal [p]	12	11	13	9	12	9	11	7
Italy	184	211	225	170	241	221	196	229
Switzerland	3	4	4	3	4	4	4	4
Germany	131	106	106	89	118	95	121	126
Austria	13	10	9	8	11	9	12	12
Czechoslovakia	38	36	36	32	39	34	40	41
Hungary	71	69	68	52	72	75	77	93
Yugoslavia	62	65	61	58	79	71	57	105
Greece [b]	16	11	9	8	11	12	16	17
Bulgaria	38	36	29	25	41	37	47	51
Rumania [c]	159	97	102	70	105	111	97	116
Poland	64	48	50	32	58	47	54	54
Lithuania	3	4	3	3	5	4	5	7
Latvia	1	2	2	2	2	2	3	
Esthonia [d]		1	1	1	1	1	1	1
Finland [d]		1	1	1	1	1	1	1
Total Europe comparable to 1928	1,326	1,206	1,224	1,033	1,363	1,177	1,234	1,342
Est. European total excl. Russia	1,348	1,234	1,257	1,051	1,391	1,205	1,264	
AFRICA								
Morocco	(17)	23	20	29	24	16	25	22
Algeria	35	28	36	17	33	24	28	34
Tunis	6	10	10	5	12	13	8	12
Egypt	34	38	41	34	36	37	44	37
Total Africa comparable to 1928	92	98	107	85	105	90	105	105
Est. African total	93	98	108	87	106	91	107	

Continued -

WHEAT: Production in specified countries, average 1909-1913, 1923-1927, annual 1923-1928, continued

Country	Av. 1909-1913	Av. 1923-1927	1923	1924	1925	1926	1927	1928
ASIA	Mill. bush.	Mill. bush.	Mill. bush.	Mill. bush.	Mill. bush.	Mill. bush.	Mill. bush.	Mill. bush.
Syria and Lebanon	(4)	11	(6)	12	9	13	14	5
Cyprus	2	2	3	2	2	2	2	
Palestine d/		4	3	3	4	4	4	
India	352	345	372	361	331	325	335	290
Japanese Empire:								
Japan	25	29	27	27	31	30	31	33
Chosen	7	10	9	10	11	11	9	9
Total Asia comparable to 1928	386	395	416	410	382	379	389	337
Est. Asiatic total excl. Russia and China	419	458	469	455	489	434	445	
Est. Northern Hemisphere total excl. Russia and China	2,759	3,007	3,119	2,730	3,067	2,974	3,137	
SOUTHERN HEMISPHERE								
Peru	3	3	3	3	3	3	3	
Brazil	2	5	3	6	6	5	4	
Chile	20	27	28	24	27	23	34	
Uruguay a/	7	11	13	10	10	10	14	
Argentina	147	218	248	191	191	221	239	(230)
Union of South Africa b/	6	7	6	7	9	8	7	7
Australia	90	137	125	165	115	161	117	150
New Zealand	7	6	4	5	5	8	10	
Total Southern Hemisphere comparable to 1928	243	362	379	363	315	390	363	387
Total countries comparable to 1928	2,947	3,276	3,411	3,027	3,244	3,284	3,416	3,587
Est. world total excl. Russia and China	3,041	3,424	3,551	3,143	3,435	3,415	3,565	3,730
Russia	759	604	249	472	730	820	749	750

Division of Statistical and Historical Research.

a/ Four-year average.

b/ One-year only.

c/ Three-year average.

d/ Less than 500,000 bushels.

UNITED STATES DEPARTMENT OF AGRICULTURE
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December 22, 1928

FOREIGN NEWS ON WHEAT

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WORLD WHEAT CROP AND MARKET PROSPECTS
(Based on reports up to December 18,1928)

The past month has brought relatively little change in estimates of this season's wheat crop. The world crop outside Russia and China is still estimated to be about 3,700,000,000 bushels, compared with 3,600,000,000 bushels last year, according to the Foreign Service of the Bureau of Agricultural Economics. Changes which have been made in production estimates of individual countries have been few and not sufficient materially to alter the world situation as a whole.

For the past month prices have remained at almost a dead level. There are three important points on which traders are awaiting significant news. They are: the outcome of the Southern Hemisphere harvest; the progress of fall sowings of winter wheat in the Northern Hemisphere; and developments in the United States export situation. Until something more is known of these situations prices may be expected to continue at about present levels.

Evidence concerning the quality of the Canadian crop continues to show that the number of bushels must be discounted because of the quality of the grain. All grades of the Canadian crop down to and including Number 6 can be used in making flour. Indeed the milling quality of each grade is better than average. Nevertheless, because of frost damage, such a large proportion of the crop is going into lower grades which have a low flour yield that the total flour yield of the crop is low. The total flour yield may be less than that from last year's crop.

World production

Estimates of wheat production in 1928 have changed but little since our last report. The United States estimates have been revised downward a million bushels to 902,749,000 bushels. The 1927 estimate has been revised upward 6 million bushels to 878,374,000 bushels. The Canadian estimate of 501 million bushels stands unchanged. Estimates of production in several minor producing countries of Europe have been added to the European total during the past month but the total production in these countries is not large enough to change the European situation. The production in 24 countries is estimated at 1,345,668,000 bushels against 1,237,178,000 bushels in 1927.

The procurements of grain in Russia by the State Procuring Agencies are falling below the plans. Procurements during November were 1,087,000 short tons, but this was below the plans for the month. A crisis similar to last year when coercive measures were adopted to secure the necessary grain supply has not yet become definite. It is significant, however, that free market prices are increasing and hampering procuring operations.

The crop in the Southern Hemisphere is being harvested. Weather conditions in Australia have been favorable to harvesting the crop which is estimated at 150 million bushels. In Argentina the rainy weather during the past few weeks has undoubtedly interfered with harvesting. The rainfall in the southern districts during the last week of November and the first week of December equaled the normal for more than a month and a half. The first estimate of production is due December 21 but there is some question as to whether it will be released as crop reports have been suspended for a time due to the change in official administration.

United States

The December crop report estimates the total wheat production of the United States in 1928 at about one million bushels less than did the November report. The new estimate is 902,749,000 bushels as compared with 903,865,000 bushels estimated in November. The estimate of the 1927 crop was increased by nearly six million bushels to 878,374,000 bushels. These changes have resulted in this year's production being now estimated at only 2.8 per cent above last year's instead of 3.6 per cent.

The most significant changes of the December crop report are in regard to individual classes of wheat. The estimate of other spring wheat which includes durum outside of four states has been reduced nearly 10 million bushels and now stands at 231,015,000 bushels as compared with 246,527,000 bushels for last year. The durum wheat estimate of four states has been increased to 92,770,000 bushels as compared with the revised estimate of 79,100,000 bushels for1927. Revised estimates of production by classes in the United States based on 1924 percentages are given on the following page.

WHEAT: Estimated production by classes in the United States a/

Year beginning July	Hard red spring	Durum	Hard red winter	Soft red winter	White	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1923	126,876	58,269	241,051	271,631	101,767	797,394
1924	192,341	66,105	364,662	189,441	51,879	864,428
1925	156,052	65,008	205,799	169,792	79,777	676,429
1926	120,834	47,478	360,440	228,686	73,202	831,040
1927 b/..	201,927	83,162	317,042	180,867	95,356	878,374
1928 c/..	195,106	97,633	384,176	139,708	85,846	902,749

a/ The spring and winter wheats listed do not include the spring and winter in the white wheats. Production estimates are based on the estimate of percentage classification by States as reported for 1920, 1923, and 1924; the percentages for 1921 and 1922 were interpolated from the 1920 and 1923 percentages. The estimated production for recent years is subject to revision.

b/ Revised.

c/ Preliminary.

Canada

The official estimate of the Canadian crop remains 501 million bushels compared with last year's unrevised estimate of 440 million bushels. Revision of last year's estimate is expected next month, and grain trade statistics indicate an upward revision of from 25 to 45 million bushels.

The wheat marketed at country points up to the end of November constitutes practically 75 per cent of the estimated total crop. Making allowances for seed requirements and local needs, the movement to date is over 80 per cent of the total expected to be marketed, and the quality of the year's marketing cannot be much different from that inspected thus far. Inspections during November have resulted in an even larger percentage of total inspections since August 1 falling in the lower grades. Of the inspections of wheat other than durum up to November 30 of this year, 57.9 per cent have been placed in grades 1 to 4, while 33.6 per cent fall in grades 5 and 6, and 6.3 per cent has graded as feed wheat.

CANADA: Inspections of wheat in the Western Grain Division of Canada, by percentages, August 1, 1927 - July 31, 1928, and August 1 - November 30, 1927 and 1928

Grade	Crop year beginning August 1, 1927	August 1, November 30 1927	August 1, November 30, 1928
	Per cent	Per cent	Per cent
No. 1 Manitoba Northern	0.9	1.6	1.6
No. 2 " "	7.7	10.1	13.6
No. 3 " "	22.1	24.2	20.1
No. 4	12.3	13.3	18.3
No. 5	4.9	4.6	15.5
No. 6	2.9	2.4	14.6
Feed	1.2	1.0	5.9
No grade	43.4	36.2	1.8
Other	.8	.8	1.1
Total other than durum	96.2	94.2	92.5
No. 1 Canadian western amber durum	.0	.0	.1
No. 2 " " " "	0.3	.5	1.5
No. 3 " " " "	1.3	2.1	3.2
No. 4 " " " "	0.2	0.2	1.2
Other durum	2.0	3.0	1.5
Total durum	3.8	5.8	7.5
Total all grades	100.0	100.0	100.0

Compiled from Canadian Grain Statistics, August 10, 1928, and Board of Grain Commissioners for Canada, November, 1928.

Flour from grades 1, 2, 3 and 4 possesses very good baking qualities. Flour from grades 5 and 6 is acceptable for lower class trade, while flour from feed wheat produces a very inferior loaf. When blended, grades 5 and 6 can be used in considerable quantities in producing a very good grade flour. The particular significance of the large proportion of the crop which falls in grades 5, 6 and feed lies in the low flour yield obtained from them. The lower grades are lighter and the yield of flour per pound is less, hence a large crop of low grade wheat is not so large in terms of the flour which may be produced from it. The flour yields of the several grades of this year's Canadian Standard grades are given below.

CANADA: Flour yield of Standard Grades.

Grade	Flour yield
	Per cent
No. 1 Northern	72.3
No. 2 "	71.5
No. 3 "	71.0
No. 4	68.8
No. 5	67.1
No. 6	62.7

Flour yields determined by the Chemistry Department of Manitoba Agricultural College, from report of A. Cairns, Statistician, Canadian Wheat pool, November 10, 1928.

Even though last year's crop was only 440 million bushels with a crop of 501 million bushels this year, it appears that although the increase in wheat production is over 13.7 per cent, the amount of wheat flour which can be made from the 1928 crop isincreased by less than 4.3 per cent. If this year's estimate of the crop be correct and last year's estimate be 25 to 45 million bushels too small, then the amount of flour which could be produced from this year's crop would be less than that from last year's.

CANADA: Estimated flour production possible from the 1928 crop of wheat other than durum

Grade	Inspection August 1-November 30 expressed in terms of a percentage of total inspections a/	Estimated production by grades b/	Flour yield c/	Estimated flour production
	Per cent	1,000 pounds	Per cent	1,000 pounds
No. 1 northern	1.6	481	72.3	347
No. 2 northern	13.6	4,085	71.5	2,921
No. 3 northern	20.1	6,037	71.0	4,286
No. 4	18.3	5,497	68.8	3,782
No. 5	15.5	4,656	67.1	3,124
No. 6	14.6	4,385	62.7	2,750
Total				17,210 barrels 87,807
				1,000 pounds
No grade	1.8	541	d/	370
Total				17,580 barrels 89,695

Compiled from reports of the Dominion Bureau of Statistics. Board of Grain Commissioners for Canada and the November 10th report of the Canadian Wheat Pool.

a/ November report of the Board of Grain Commissioners for Canada.
b/ Inspection percentages applied to the total crop of 500,613,000 bushels of 60 pounds. In case of no grade wheat it is assumed that reconditioning resulted in loss of weight so that each 60 pounds made 58 pounds of wheat in grades 1 to 6.
c/ Total flour yield from Standards of the grades as given in report of A. Cairns, Statistician, Canadian Wheat Pool, November 10, 1928.
d/ No grade apportioned in grades No. 1 northern to No. 6 and the flour yields for those grades applied to each apportioned grade.

CANADA: Estimated flour production possible from the 1927 crop of wheat other than durum

(Assuming percentage flour yield of each grade to be 2.0 less than in 1928)

Grade	Inspections August 1, 1927 - July 31, 1928	Estimated production by grades a/	Flour yield b/	Estimated flour production
	Per cent	1,000 pounds	Per cent	1,000 pounds
No. 1 northern	0.9	238	70.3	167
No. 2 northern	7.7	2,033	69.5	1,413
No. 3 northern	22.2	5,861	69.0	4,044
No. 4	12.3	3,247	66.8	2,169
No. 5	4.9	1,294	65.1	842
No. 6	2.9	766	60.7	465
Total .				9,100
				barrels
				46,430
				1,000 pounds
No grade	43.4	11,458	c/	7,759
Total .				16,859
				barrels
				86,019

Compiled from reports of the Dominion Bureau of Statistics, the Board of Grain Commissioners for Canada and the Canadian Wheat Pool.

a/ Inspection percentages applied to the total production of 440,025,000 bushels of 60 pounds. In case of no grade wheat it is assumed that reconditioning resulted in loss of weight so that each 60 pounds made 58 pounds of wheat in grades 1 to 6.

b/ Assumed to be 2.0 less than that of Standards of 1928.

c/ No grade apportioned in grades No. 1 northern to No. 6 and the flour yields for those grades applied to each apportioned grade.

It is to be noted that the above estimates do not purport to represent the amount of wheat flour actually made and to be made from the two Canadian crops. The percentages of flour yield for the 1928 Standards are those obtained under conditions of experimental milling, and smaller yields are to be expected in commercial plants -- especially in case of the lower grades of wheat. Furthermore, the entire crop is not ground into flour, a part being used for seed and feed, and no deduction has been made in the above calculations to make allowance for that part of the crop which is not milled. The fact that experimental milling yields of flour are used would tend to make the calculated total yield of flour larger in 1928 as compared with 1927 because of the relatively higher yields obtained in case of the lower grades than would be obtained in commercial milling.

The application of the percentages to the total crop without making deduction for feed also results in the figure of total possible flour production for 1928 being relatively larger when compared with 1927 than actual flour production would be. This year prices of the lower grades of wheat have been below those of last year, and it is consequently to be expected that more of these grades will be used for feeding.

The per cent flour yields used in estimating the 1927 flour production figure have been obtained by deducting 2.0 from each of the percentages used in the 1928 computations. This estimation of the difference in the flour yields of the two crops was made on the bases of milling tests conducted by the Bureau of Agricultural Economics on samples of Canadian wheat. The percentages used for the 1928 crop are those reported by A. Cairns, Statistician of the Canadian Wheat Pool and apply to the 1928 Standards of the grades.

Winter seedings for the 1929 harvest

United States

The December report on acreage and condition of fall sown winter wheat indicates sowings of 45,228,000 acres and condition of 84.4 per cent. The acreage is a reduction of 8.6 per cent from the revised area sown last year of 47,280,000 acres. The condition of 84.4 per cent this December is materially below last year's December 1 figure of 86.0 and is slightly below the ten-year average condition on December 1 of 84.6 per cent.

Canada

The total estimated area sown to fall wheat in Canada up to October 31 for the 1929 harvest is 951,000 acres as compared with 1,033,000 acres sown in 1927 for the 1928 harvest. The area sown this year represents a decrease of 82,000 acres or 8 per cent. The condition of fall wheat on October 31 was above average but below last year.

Europe

Fall seedings in Europe are for the greater part developing under favorable conditions. Drought in the Balkan States and southern Russia

delayed sowings in those regions. The condition of all cereals in Russia on December 1 were above average and above last year. It was reported early in the season that rye sowings had replaced wheat due to the delay in the distribution of seed wheat.

The conditions of both wheat and rye in Germany on December 1 were above average and above December 1, 1927. Wheat is reported at 112 per cent of the average condition as of that date during the years 1918-1927 as compared with 103 per cent of the average on December 1 last year and 106 per cent on December 1, 1926. The condition of winter rye is also reported at 112 per cent of the ten-year average against 97 per cent on December 1, 1927 and 100 per cent on December 1, 1926. In Austria the condition on December 1 was also above average and above last year.

Wheat prices

Wheat prices were somewhat higher in October than in November and they remained at an almost constant level throughout the month. The average of farm prices the middle of the month was 97.1 cents per bushel, as compared with 98.7 cents for October, but the October farm price figure was influenced by market prices which prevailed at that time and which were higher than the average for the month. The average market price of all classes and grades which was 107 cents per bushel for October rose to 109 cents for November.

There was little change in the relative prices of the different classes of wheat. The November average price of No. 2 red winter was up two cents from that of October as was also No. 2 amber durum at Minneapolis. No. 1 dark northern spring at Minneapolis and No. 2 red winter at St. Louis were up one cent. No. 2 hard winter wheat continues at about 20 cents under last year and No. 1 dark northern spring at about 10 cents under. Red winter is still at about the same level as a year ago. Protein premiums on spring wheat at Minneapolis have increased, averaging about 21 cents in November as compared with 18 cents in October for 14 per cent protein of No. 1 dark northern. At Kansas City 12.75 per cent to 12.95 per cent protein wheat sold for about the same premiums as in the previous month.

During the first half of December prices sagged somewhat, the price of all classes and grades being 107 cents per bushel for the week ending December 14 as compared with 109 cents for the two preceeding weeks. No. 2 hard winter at Kansas City was 111 cents per bushel as compared with 109 cents for the two preceeding weeks. No. 2 hard winter at Kansas City was 111 cents per bushel as compared with 113 cents the preceeding week. At Minneapolis for the week ending December 14, No. 1 dark northern spring was 121 cents per bushel, three cents below the preceeding week. At St. Louis No. 2 red winter also dropped a little, being two cents below the figure of 143 cents for the preceeding week. The greatest decline was in durum prices, No. 2 amber durum at Minneapolis averaging 107 cents per bushel for the week ending December 14 as compared with 117 cents for the preceeding week. The large decline in amber durum, however, was not typical because of the very small number of sales. The average price of all grades of durum at Minneapolis and Duluth declined only four cents in the same period.

In general, wheat prices will probably continue to fluctuate within a rather narrow range during the next few weeks, their fluctuations being influenced by current reports. The closing of navigation December 15 on the Great Lakes leaves Canada with only accumulations in the east available for export during the next few months and increased exports from the United States are likely to follow. This, together with the lessening of pressure on storage space at the milling centers, is expected to result in small increases of prices within the next two months and some improvement in protein premiums on spring wheat.

Movement of the North American crop

The heavy movement of the 1928 wheat crop in North America is now over. In the United States receipts at primary markets during November dropped to half the October figure. In Canada over three-quarters of the year's marketings had taken place by the end of November, and December 15 marked the close of navigation on the Great Lakes.

In the United States marketings have been somewhat heavier than last year. Receipts of wheat from July 1 to the end of November at 13 primary markets were 339,044,000 bushels as compared with 325,957,000 bushels in the same five months of 1927. Commercial stocks of domestic grain in store increased rapidly up to the end of November when they reached 139 million bushels. Since that time they have been practically stationary at from 139 to 140 million bushels, new receipts being just about in pace with the commercial demand. With smaller receipts stocks may be expected to show material decreases soon.

Grindings of wheat by mills in the United States are running well ahead of last year's figures. The total grind reported for the four months July to October is 187 million bushels this year against 180 million the same month of 1927. Up to October of this year, the last month for which milling data are available, receipts at 13 markets have each month been in excess of mill grindings. Indications are that during November the grindings were about 10 million bushels more than the receipts at 13 markets, and during the coming month grindings will exceed receipts by even greater amounts.

In Canada the exceptionally favorable weather which has prevailed throughout the fall in the Prairie Provinces has enabled farmers to market their grain in record quantities. The volume marketed at country points up to the end of November represented practically 75 per cent of the total crop, or more than 80 per cent of the total amount to be marketed, after deducting the usual allowances to cover requirements for seed and local needs, according to the November report of the Board of Grain Commissioners for Canada. The lake movement during the first four months of the season exceeded last year by more than 55 million bushels and this amount will be increased by vessels which have loaded in December but some of this will remain afloat at lower lake ports and Montreal for winter storage.

As is usual at this time of the year accumulations of Canadian wheat at lower lake and seaboard ports are large. According to Canadian reports, there were 64,755,639 million bushels of wheat at eastern lake and seaboard ports in

the United States and Canada on November 30 this year, as compared with 50,898,209 million on December 2 of last year. The wheat in store at eastern seaboard and lake ports on November 30 composed over one-third of Canada's total country and terminal elevator stocks on that date.

Exports of wheat including flour from the United States to date this season have been more than 50 million bushels less than during the corresponding period of last year, while during the same period Canadian exports have been more than 100 million bushels in excess of last year. Total exports of wheat and flour in terms of wheat from North America from July 1 to date are nearly 50 million bushels above those of a year ago.

Canadian wheat inspected August 1 to November 30, 1927 and 1928 in western division

Grade	1928		1927	
	Cars a/	Per cent	Cars b/	Per cent
No. 1 Manitoba northern	3,142	1.72	2,183	1.72
No. 2 Manitoba northern	26,723	14.71	13,528	10.68
No. 3 Manitoba northern	39,495	21.74	32,626	25.75
Number 4	35,865	19.74	17,943	14.16
Total contract grades .	105,225	57.91	66,280	52.31
Number 5	30,517	16.80	6,192	4.88
Number 6	28,675	15.78	3,162	2.50
Feed	11,542	6.35	1,344	1.06
No grade	7,547	1.95	48,642	38.39
Others	2,206	1.21	1,091	.86
Total, other than durum	181,712	100.00	126,711	100.00
No. 1 C. W. amber durum	151	1.02	8	0.10
No. 2 " " "	2,927	19.89	681	8.69
No. 3 " " "	6,257	42.53	2,782	35.51
No. 4 " " "	2,450	16.66	349	4.46
Other durum	2,926	19.90	4,014	51.24
Total durum	14,711	100.00	7,834	100.00

Report of the Board of Grain Commissioners for Canada, November, 1928.
a/ Average net weight per car during November, 1,358.76 bushels.
b/ Average net weight per car during November, 1,338.96 bushels.

The Continental European Wheat Situation

Continental wheat prices remained fairly stable during November although the turnover was below October. Trading was quite brisk in western Europe where port and trade stocks are now light. The flour markets have been quiet also but mill supplies of foreign wheat are low and millers will probably soon be on the market. Export trade in the Danubian and Balkan countries has been unsatisfactory and stocks of grain are increasing. Farm marketings have lacked uniformity but are tending to increase especially in central Europe now that the fall seeding of grain has been completed.

The German bread grain markets were rather quiet during November although the export trade was active until near the close of the month. Prices remained firm, spot prices of domestic wheat at Hamburg being quoted at $1.38 per bushel for three successive weeks. On November 28 the quotation was $1.40 but on December 12 declined to $1.36. Rye prices at Berlin also remained firm, fluctuating between $1.22 and $1.24 per bushel. Mill stocks of both wheat and rye appear to be small as indicated by stocks in Berlin. Wheat stocks on November 30 were 441,000 bushels against 625,000 bushels on October 31. Rye stocks were 354,000 bushels against 394,000 bushels a month ago. Imports of wheat into Germany during October amounted to 9,076,000 bushels against 8,452,000 bushels during September and 9,568,000 bushels during October 1927. Exports during October were 1,800,000 bushels. Imports of rye declined to 457,000 bushels during November from 728,000 bushels during October. Exports of rye, however, increased to 2,834,000 bushels during November from 2,382,000 bushels during October. This was to be expected, however, in view of the good rye crop this year. Port arrivals during November were large and the movement from western Germany was heavy but the markets have appeared able to absorb supplies. The latest available data on farm stocks is as of November 15 when farmers held about 4,000,000 bushels more of the winter wheat crop than a year ago and about 3,000,000 bushels more were available for sale.

The actual quantity of grain held by farmers and the quantity available for sale in Germany is estimated as follows on the basis of the percentages applied to the crop estimates.

Crop	Stocks on farms		Stocks available for sale	
	November 15, 1927	November 15, 1928	November 15, 1927	November 15, 1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Winter wheat ...	69,825	74,075	58,553	61,539
Spring wheat ...	9,328	10,626	8,032	9,251
Winter rye	157,563	185,280	84,617	107,582
Spring barley ..	69,196	70,064	44,161	45,542
Oats	344,552	340,806	100,130	106,502
Potatoes.....	934,068	968,091	332,512	340,877

The French wheat markets continue to register a relatively steady business although the marketings of native wheat have increased. Millers complain that the flour business is slow but as mill stocks of grain are low, millers are expected to keep on the market for grain. The Italian wheat markets were more quiet during November. Despite the reported good crop this year the import trade continued in advance of last year through October, the latest date for which import statistics are available. From July 1 through October 31, 1928 imports were 28 million bushels, or 11 million bushels more than during the corresponding period last year. The potato crop in Italy is small this year, being estimated at 54,748,000 bushels, or 23 per cent below the 1927 crop and 36 per cent below the 1926 crop. The Spanish government has increased from 30 per cent to 50 per cent the proportion of foreign wheat which may be permitted to be mixed for milling purposes with the nationally produced wheat. The markets in Belgium and Holland were fairly active during the first half of November but were subsequently quieter with a weakening of prices due to the pressure of Argentine wheat. Millers complain of poor flour sales but an improvement in buying is anticipated in view of the low stocks.

Reports from Yugoslavia continue to emphasize an increased home consumption. Marketings by Danubian farmers continue large so the import requirements for those countries remain small. Although the Polish government has purchased stocks of grain, the marketings have been heavy and the markets are weak. The trade estimates the wheat deficit at 4,000,000 bushels and the rye deficit at 5,000,000 bushels.

The Oriental wheat situation

Shanghai

Eight out of the ten large flour mills in the Shanghai districts are closed due to the exhaustion of local supplies of wheat, according to a cable from Agricultural Commissioner P. O. Nyhus at Shanghai. The first shipment of Canadian wheat was due to arrive December 8 and as other shipments are due to arrive in the near future, it is expected that the mills will gradually resume operations with foreign supplies and be in active operation by the end of December. The mills have previously been supplied with wheat from the lower Yangtze Valley and operated at full capacity from June first until early November. During November additional quantities of Canadian number four and number five wheat were ordered and importers state that millers would buy more Canadian wheat but that steamer space is difficult to secure. American western red is materially higher in price than Canadian but a local miller recently ordered 112,000 bushels (3,000 tons) of western red to blend with the high gluten Canadian wheat.

Stocks of local flour are now considered small and current exports of flour are smaller than a month ago in keeping with reduced mill operations. The demand for Shanghai flour from Tientsin is weak in view of the heavy arrivals of foreign flour at Tientsin. Flour quotations for future deliveries four months hence are the same as spot prices and reflect the ample supplies of contracts for foreign flour at Tientsin.

The quotations on December 3 for January delivery, spot, at Shanghai were as follows: Native wheat $1.26 per bushel, Canadian No. 4 $1.26, Canadian No. 5, $1.17, western red No. 2, $1.34, and Australian $1.39 per bushel. This shows an increase in all prices over the November 1 quotation excepting Canadian No. 4. The November 1 quotations for January delivery were, native $1.15, Canadian No. 4, $1.27, Canadian No. 5, $1.16, western red No. 2, $1.27, and Australian $1.31 per bushel. The spot price of native flour on December 3 was $1.41 per bag against $1.01 on November 1.

Japan

A reported short wheat crop in China has caused an upward trend in the milling industry in Japan, according to a cable from Consul Kemper at Tokyo. Imports of wheat during October were over 500,000 bushels greater than during September and over 900,000 bushels greater than during October, 1927. Total imports during the month were 1,549,000 bushels, of which 533,000 bushels were imported from the United States, 760,000 bushels from Canada and 124,000 bushels from Australia. From July 1 to October 31, 5,047,000 bushels of wheat have been imported into Japan against 3,481,000 bushels during the same period last season.

Prices of foreign wheat at Japanese flour mills rose during November. United States western white No. 2 was quoted at $1.68 per bushel on December 1, Canadian No. 5 at $1.59 and Australian wheat at $1.70 per bushel. The corresponding prices on November 1 were $1.63, $1.38 and $1.62 respectively. The domestic flour market was strong and the wholesale price of flour on December 1 was $1.67 per bag of 50 pounds which was two cents higher than on November 1. The export demand for flour was good. The exports of flour during October were 595,000 bags of 50 pounds and the total for the season from July 1 to October 31 was 2,260,000 bags against 1,287,000 bags during the same period last year.

The Estimated May Price of Spring Wheat

In "Foreign Crops and Markets" of May 11, 1925, there was published a method of estimating the May price of spring wheat. Subsequently, in "Foreign Crops and Markets" and in "Foreign News of Wheat" there have appeared short discussions of the way in which the method was working out during later years, the most recent discussion appearing in Foreign News on Wheat of June 14, 1928. Using this method of estimating the price of No. 1 Northern Spring wheat at Minneapolis for May of 1929, the result is a figure about the same as last year's price.

A careful consideration of the method, its results in past years, and the conditions affecting it this year, makes it appear that the estimate fpr May, 1929 is not to be relied upon. A situation somewhat similar to that affecting the estimate of May, 1923 affects the estimate for the coming May, and, like the former, this year's estimate is expected to be too high. The discrepancy of the estimate this year, however, is not expected to be so great as that for May, 1929.

The method of estimating the May price was developed by a study of the period 1896-1914. The average error for that period was only 2.2 cents, omitting an error of 29.4 cents in the year of the Leiter corner. The largest difference of 7 cents occurred in 1907. When applied to post-war years, the estimates have been reasonably close in a majority of years, but it is readily apparent that changed conditions have resulted in frequent large discrepancies. Considered from the standpoint of the formula itself, it appears that the change of price from April to September, weighted as it is, is no longer a satisfactory component. The reason back of this is probably to be found partly in the fact that in recent years the United States often has a scarcity of spring wheat, partly in the existence of a high tariff on wheat preventing imports from Canada, and partly in the changes which have occurred in the demand for spring wheat.

SPRING WHEAT: Estimated and actual May prices at Chicago, 1896-1914 and 1921-1928

Year	Estimate	Average May price	Year	Estimate	Average May price
	Cents	Cents		Cents	Cents
1896	62.8	61.2	1910	112.4	111.7
1897	69.7	72.4	1911	98.6	102.8
1898	90.8	a/120.2	1912	118.6	118.9
1899	72.3	73.0	1913	93.4	92.7
1900	67.1	67.0	1914	95.4	98.3
1901	69.7	74.1	War period		
1902	78.9	75.7	1921	168.2	163.0
1903	79.7	79.8	1922	151.6	150.0
1904	98.1	96.3	1923	152.3	121.5
1905	101.3	102.1	1924	120.1	116.4
1906	78.3	84.3	1925 a/	131.4	167.0
1907	89.8	96.8	1926 a/	164.4	162.1
1908	107.3	107.8	1927 a/	157.1	146.6
1909	128.4	131.1	1928 a/	158.4	157.4

Division of Statistical and Historical Research. Average May prices compiled from Bartel's Red Book and Chicago Daily Trade Bulletin, average of daily quotations.

a/ Prices of No. 1 Northern Spring, Minneapolis.

WHEAT: Weighted average cash price at stated markets

Period	Year beginning July 1									
	All classes and grades six markets		No. 2 hard winter Kansas City		No. 1 dk.n.spring Minneapolis		No. 2 amber durum Minneapolis		No. 2 red winter St. Louis	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
July	139	126	136	120	158	147	153	123	141	147
August	136	109	135	106	150	124	140	108	142	138
September	129	109	131	107	137	126	128	106	142	145
October	125	107	128	110	134	123	123	112	145	144
November	126	109	131	112	134	124	128	114	141	145
December	128		132		137		132		144	
January	131		133		143		130		151	
February	132		133		142		129		156	
Sept. 7	133	110	132	106	143	125	135	104	145	147
14	126	107	129	105	136	123	126	104	142	143
21	126	108	129	107	134	126	122	107	140	145
28	127	111	131	110	136	130	123	109	143	148
Oct. 5	126	107	132	110	133	125	122	109	149	145
12	128	109	131	111	136	124	126	113	147	149
19	126	105	128	109	137	124	124	108	142	147
26	121	105	125	107	131	119	120	115	141	138
Nov. 2	123	110	128	112	132	124	121	121	143	140
9	126	108	130	110	135	122	130	114	142	141
16	127	109	131	113	135	123	130	110	142	146
23	127	110	134	114	134	125	128	118	142	145
30	126	109	132	114	134	125	127	116	140	145
Dec. 7	128	109	134	113	137	124	132	117	147	143
14	129	107	131	111	137	121	132	107	146	141
21										
28										

WHEAT: Closing prices of December futures

Date	Chicago		Kansas City		Minneapolis		Winnipeg		Liverpool		Buenos Aires a/	
	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928	1927	1928
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Sept 13	130	113	123	107	129	110	129	110	151	129	b/138	b/110
20	129	115	123	109	127	112	128	118	150	131	c/134	b/110
27	130	118	125	112	128	115	131	116	152	135	c/133	b/113
Oct 4	132	118	126	112	129	114	131	118	152	136	c/131	b/115
11	134	117	125	111	128	113	131	118	152	135	c/131	d/117
18	125	115	120	110	123	111	127	118	151	136	c/130	d/117
25	125	113	119	107	123	109	127	117	150	134	c/127	d/116
Nov 1	126	116	121	111	123	112	127	119	147	137	d/127	d/116
8	126	114	122	108	123	110	127	118	148	134	d/129	d/116
15	128	116	123	110	124	111	132	120	152	135	d/129	d/115
22	132	117	123	110	124	112	132	119	152	135	d/131	d/116
28	129	115	123	109	125	111	133	117	151	134	d/127	d/113
					May futures							
Dec 6	134	122	127	115	130	116	137	123	150	133	d/127	d/112
13	130	122	124	115	126	116	135	124	149	134	d/127	d/110
20	130		124		126		135		149		d/127	
27	130		124		126		136		149		d/126	

a/ Prices are as of day previous to date of other market prices.
b/ October future.
c/ November future.
d/ February future.

WHEAT, INCLUDING FLOUR: Net exports from principal exporting countries and net imports into European importing countries, 1927-28 and 1928-29

Country	Exports: Net exports reported: July 1 to	1927-28	1928-29	Country	Imports: Net imports reported: July 1 to	1927-28	1928-29
		Million bushels	Million bushels			Million bushels	Million bushels
United States	Dec 8	149	93	Great Britain	Oct 31	73	64
Canada	Nov 30	122	226	Italy	Oct 31	17	28
Russia	Dec 1	4	a/	Germany	Oct 31	33	30
British India	Dec 1	9	1	France	Sept 30	25	13
Hungary	(			Belgium	Sept 30	11	11
Rumania	(Dec 1	4	2	Netherlands	Oct 31	10	10
Bulgaria	(			Czechoslovakia	Sept 30	5	5
Yugoslavia	(			Irish Fr.State	Sept 30	5	4
Algeria	Oct 30	2	3	Switzerland	Oct 31	6	5
Argentina	Dec 1	31	48	Sweden	Oct 31	3	3
Australia	Dec 1	21	22	Norway	Sept 30	2	2
				Denmark	Oct 31	3	4
				Finland	Aug 31	1	1
				Poland	Oct 31	1	2
Total		342	395	Total important European countries		195	182

WHEAT: Receipts at 13 primary markets of United States, 1927 and 1928

Month	Monthly: 1927	1928	Cumulative for July 1: 1927	1928
	1,000 bush	1,000 bush	1,000 bush	1,000 bush
July	52,996	64,846	52,996	64,846
August	78,909	78,372	131,905	143,218
September	79,962	72,579	211,867	215,797
October	71,696	82,346	283,563	298,143
November	42,394	40,901	325,957	339,044
December	23,903		349,860	
January	22,313		372,173	
February	21,403		393,576	
March	24,639		418,215	
April	17,483		435,698	
May	24,718		460,416	
June	13,883		474,299	

Compiled from daily receipts as published in the Daily Trade Bulletin.

WHEAT: Commercial stocks in United States and United States grain in Canada

Beginning of month and end of week	Domestic grain in United States		Canadian grain in United States		United States grain in Canada	
	1927-28	1928-29	1927-28	1928-29	1927-28	1928-29
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	21,888	39,315	7,472	11,132	1,362	2,558
August	45,008	65,241	5,002	13,610	1,105	2,258
September	65,642	96,442	3,410	3,789	4,249	2,546
October	82,514	113,815	3,784	7,548	4,560	3,295
November	93,330	140,337	12,636	18,291	6,640	9,083
December	95,013	140,172	31,375	33,902	5,187	8,343
January	91,962	---	35,764	---	3,933	---
February	81,415	---	25,649	---	2,285	---
March	75,750	---	19,260	---	1,761	---
April	70,248	---	11,848	---	1,096	---
May	63,990	---	6,597	---	863	---
June	49,616	---	11,549	---	2,314	---
October 6	87,139	122,073	4,516	8,208	6,652	4,508
13	90,082	129,807	5,310	11,153	7,004	5,485
20	93,042	135,518	9,068	12,682	6,997	7,476
27	93,048	139,302	8,617	14,257	7,258	8,908
November 3	93,330	140,337	12,636	18,291	6,640	9,083
10	95,146	140,557	15,221	22,916	8,215	8,380
17	94,888	138,369	17,233	25,616	6,452	7,328
24	95,898	138,908	23,884	28,468	6,174	7,719
December 1	95,013	140,172	31,375	33,902	5,187	8,343
8	94,458	139,830	37,117	42,615	4,476	8,060
15	94,793	a/141,065	37,565	a/44,901	4,221	a/8,024
22	94,007		35,463		3,859	
29	91,962		35,764		3,933	

a/ Preliminary.

WHEAT: Ground by mills in United States reporting to United States Department of Commerce

Month	Monthly		Cumulative for July 1	
	1927	1928	1927	1928
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
July	38,547	39,077	38,547	39,077
August	44,099	47,528	82,646	86,605
September	48,131	47,975	130,777	134,579
October	49,792	52,788	180,568	187,368
November	44,882		225,450	
December	42,604		268,055	
January	42,303		310,357	
February	41,140		351,497	
March	44,748		396,245	
April	38,986		435,231	
May	39,910		475,140	
June	35,633		510,774	

Compiled from monthly reports of the Bureau of the Census, United States Department of Commerce.

BREAD GRAINS: Production, average 1909-1913, annual 1925-1928

Crop and countries reported in 1928 a/	Average 1909-1913	1925	1926	1927	1928	P. ct. 1928 is of 1927
WHEAT	1000 bush	1000 bush	1000 bush	1000 bush	1000 bush	P. ct.
United States	690,108	676,429	831,040	878,374	902,749	102.8
Canada	197,119	395,475	407,136	440,025	500,613	113.8
North America (3)	898,708	1,081,117	1,248,509	1,330,289	1,414,694	106.3
Total Europe (25)	1,332,148	1,366,852	1,182,445	1,239,605	1,347,098	108.7
Africa (6)	93,171	105,166	90,313	105,763	105,733	100.0
Asia (6)	387,827	382,847	379,294	389,636	337,452	86.6
Total above coun. (40).	2,711,854	2,935,932	2,900,661	3,065,293	3,204,977	104.6
Total Southern Hemis.(3):	243,590	314,855	389,632	362,543	391,273	107.9
Total above coun. (43)	2,955,444	3,250,787	3,290,193	3,427,836	3,596,250	104.9
Est. N. Hemis. total ex. Russia and China ...	2,759,000	3,067,000	2,979,000	3,137,000		
Est. world total ex. Russia and China ...	3,041,000	3,435,000	3,420,000	3,565,000	3,730,000	104.6
RYE						
United States	36,093	46,456	40,795	58,164	41,766	71.8
Canada	2,094	9,158	12,179	14,951	14,626	97.8
Total Europe (22)	933,292	896,479	709,129	769,725	833,289	108.3
Total above coun. (24)	971,479	952,093	762,103	842,840	889,681	105.6
Est. N. Hemis. total ex. Russia and China	1,023,000	1,000,000	807,000	878,000		
Est. world total ex. Russia and China ...	1,025,000	1,007,000	812,000	887,000		

a/ Figures in parenthesis indicate the number of countries included.
b/ One year only.

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